

**1987 REPORT  
OF THE  
TASK FORCE ON  
SCHOOL CONSTRUCTION FINANCE**



NOVEMBER 10, 1987  
ANNAPOLIS, MARYLAND



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OF THE  
TASK FORCE ON  
SCHOOL CONSTRUCTION FINANCE**

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NOVEMBER 10, 1987  
ANNAPOLIS, MARYLAND

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## TASK FORCE ON SCHOOL CONSTRUCTION FINANCE

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November 10, 1987

The Honorable William Donald Schaefer  
Governor  
State of Maryland  
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Donald P. Hutchinson  
President

Dear Governor Schaefer:

The Task Force on School Construction Finance has completed its work. Today, I transmit to you our final report. An addendum to the final report may be issued shortly to provide support data received by the Task Force during our deliberations. I will outline briefly the recommendations that we have made with a more complete report attached.

1. The State of Maryland should create a \$500 million five-year State program for school construction. Initially, \$60 million annually, totaling \$300 million over five years, should be provided by the State of Maryland. We urge that the Governor and the General Assembly subsequently increase the annual financing level to provide for inflation in construction costs and the growth in the capital debt affordability limits.

Local governments should provide an additional \$200 million, based on a formula reflecting ability to pay. Local governments would contribute approximately \$40 million annually. A minimum of 50 percent funding of currently eligible costs would be assured; the level of State support beyond 50 percent would be related to the State share of the Basic Current Expense Formula. Systemic renovation projects and relocatable classrooms would be provided for within the limitations of these funding levels.

2. Counties, which have forward-funded eligible construction projects should be reimbursed for those projects within the context of the new program.

3. Should the State be able to do so, we strongly urge that it provide annual funding in excess of \$60 million. The additional aid should be directed towards counties whose school systems are experiencing absolute growth in school enrollment and, likewise, should be targeted towards subdivisions with significant fiscal burdens, such as substantial debt, disproportionately costly access to capital markets, or restricted operating budgets.

4. The Task Force strongly recommends, as did the 1985 Task Force, that the Interagency Committee once again review State elementary school class size standards with a goal to reducing existing standards to reflect actual practice.

The Honorable William Donald Schaefer  
November 10, 1987  
Page 2

5. We endorse legislation which would provide a "level playing field" for local public school construction borrowing, thus softening the cost impact for poorer counties who have limited resources, who are restricted to more expensive borrowing terms in the market place, and who have varying fiscal capacities to absorb additional debt. Accordingly, the Task Force recommends that the Governor and General Assembly examine various options, as outlined in our attached report, to alleviate and neutralize the impact of the shift of school construction obligations to local subdivisions.

I wish to thank publicly each Task Force member for their diligence, hard work and creativity in meeting a very tight schedule and in reaching often difficult decisions concerning the future funding of critically needed school construction projects throughout the State. I also extend appreciation to those many individuals who presented oral or written testimony on the matters before us. Lastly, on behalf of the Task Force, I commend our excellent staff for assuring our thorough review of the program and the State's fiscal constraints, the development of numerous funding and formula options, and for the smooth operation of our activities.

We hope that our recommendations will be useful to you and we offer you our further assistance to assure the continued strength of an important State-local partnership.

Sincerely,



Donald P. Hutchinson, Chair  
Task Force on School Construction Finance

DPH:mb  
Attachment





State of Maryland  
**Board of Public Works**  
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William Donald Schaefer  
Governor

Louis L. Goldstein  
Comptroller

Lucille Maurer  
Treasurer

James J. McGinty, Jr.  
Secretary

July 25, 1987

Donald P. Hutchinson  
Md. Economic Growth Assoc.  
36 S. Charles Street  
Suite 2424  
Baltimore, MD 21201

Dear Don:

Thank you for agreeing to chair the Board of Public Work's Task Force on School Construction Finance. We truly value your perspective and participation.

Maryland's most valuable resource is our youth. We must assure that today's children - tomorrow's leaders - are provided with the finest education available to prepare them - and us - for the challenges and opportunities ahead. Over the past seventeen years, the State of Maryland has invested over 2-1/2 billion dollars to construct and renovate elementary and secondary schools throughout the State and to assume certain local debt service. The Board of Public Works indeed is proud of this remarkable record and nationally recognized program.

However, faced with tremendous increases in reported school construction needs, other equally critical construction demands at the State and local levels, and constraints on capital debt affordability, we agree that it is essential that school construction costs be shared by local governments to a much greater degree than is now the case.

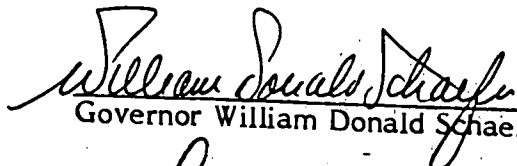
We are confident that this Task Force can find solutions that will result in an accelerated building program, which will more rapidly meet local educational needs without imposing an unfair or unattainable local burden. The specific charge to this Task Force is set forth in an attachment.

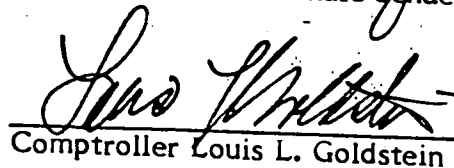
The Board is committed to make needed changes that will affect funding and project approval in Fiscal Year 1989. Because of cyclical State and local planning and budget schedules, it is urgent that your recommendations be formulated in a very short time frame. We are, consequently, asking you to meet over the next few weeks and make a preliminary report to the Board by September 4, 1987.

The appointment of this Task Force will be announced at the Board of Public Works meeting on Wednesday, July 29. The initial meeting of the Committee will be scheduled within the next two weeks. If you have any questions, please feel free to contact M. Gail Moran, Assistant Secretary of the Board of Public Works (telephone number: 974-3651/3443).

Again, thank you for agreeing to help us in this project.

Sincerely,

  
Governor William Donald Schaefer

  
Comptroller Louis L. Goldstein

  
Treasurer Lucille Maurer

## SCHOOL CONSTRUCTION TASK FORCE

Since the inception of the School Construction program in 1971, Maryland has invested over 1-1/2 billion dollars in schools across the State. In addition, the State has assumed approximately \$755 million of local debt for school construction projects undertaken prior to June 30, 1967. It is a remarkable record, demonstrating commitment to public education and lifting an enormous burden from local government.

More recently, the State has been contributing to other locally-owned facilities. The State assists with local jails on a 50/50 cost sharing; nearly \$90 million has been allocated for construction and renovation between 1972 and 1986 of eligible costs. The State continues to assist with water and sewer needs, especially as the Federal government limits its support for these projects. In transportation, the State has stepped up road and bridge construction and rebuilding enormously. Legislation just enacted a bill to provide an additional \$43 million in highway user revenue to local governments in FY 88. Between 1970 and 1984 60.82 percent of all State construction bonds were dedicated to non-State owned facilities.

The State, under court order, has had to increase State correctional facilities; and, more are needed. Needs of facilities, such as replacement or rehabilitation of aging university and college buildings and other State obligations, have been accumulating and growing.

At the same time, school construction has become a moving target. Despite the monumental efforts over a decade and a half, the reported needs have doubled in the past five years and are projected to continue to increase.

Given the basic constraints on State debt, the growing needs of the State itself, the expanded aid to local governments for capital projects in several unrelated categories, and the continued growth in school construction requests, it is apparent that school construction costs will have to be shared by local governments to a much greater degree than is now the case.

In November 1985, the Governor's Task Force to examine the School Construction Program recommended that State funding should be in the \$40-60 million range annually with a target of \$50 million. Our new initiative is not a diminishing State effort, but an attempt to achieve goals sooner and on a more realistic basis.

During the Board of Public Works appeal hearing on the Fiscal Year 1988 Public School Capital Improvement Program (January 28, 1987), the Board made it amply clear that projects approved for planning might be funded in a different cost sharing arrangement than in the past. The Board, therefore, is committed to make needed changes that will affect funding and project approval in Fiscal Year 1989. Since the budget cycle for local school systems and Interagency Committee on School Construction's preparation for funding recommendations require an understanding of a new funding mechanism having an impact on the funding as early as July 1, 1988, it is urgent to develop any changes in a very short time frame.

I am, consequently, establishing a Task Force of 15 members to meet in the next few weeks and make a preliminary report to me by August 20, 1987.

Therefore, I ask the Task Force to consider and make recommendations on the following:

1. Currently, the eligible costs for school funding covers new construction and renovations of existing facilities. Local governments are responsible for other costs such as land acquisition, architectural fees, and movable equipment. Given the pressing and continuing need for school construction in the foreseeable future, there is an apparent need to reassess the State and local sharing of these costs with particular focus on construction costs, and recommend a more realistic cost sharing proposal for the State.

2. Given the fact that some local jurisdictions have low bond ratings, low taxable bases, or high per capita debt, consider and make recommendations about special accommodations for such jurisdictions. This could include, but is certainly not limited to, loans, a revolving fund, or a differentiation in the level of funding through the grant program.
3. In those instances where jurisdictions have voluntarily forward-funded school construction projects, what arrangements can be made for eventual reimbursement?
4. At the present time, the State uses a State rated capacity for elementary schools based upon 25 pupils for each kindergarten space; 30 pupils for each classroom or instructional area grades 1 - 5/6; and 10 pupils for special education self-contained classrooms. Most school systems operate with fewer than 30 pupils in grades 1 - 5/6. This causes major differences when new schools and renovation projects are being requested. Should the State formula reflect local practices and what adjustments can be made?
5. Should there be an incentive in school construction funding in recognition of local efforts to maintain existing educational facilities?

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TASK FORCE ON SCHOOL CONSTRUCTION FINANCE

FINAL REPORT

November 10, 1987

The Task Force on School Construction Finance is pleased to submit to the Board of Public Works its final recommendations concerning certain program aspects for the Public School Construction Program and the future financing responsibilities for public elementary and secondary school construction in the State of Maryland.

Since our appointment in late July, the Task Force has held six public meetings. The preliminary report, sent to you on August 28, was distributed to approximately 400 individuals and groups, including members of the General Assembly, county officials, county school board members and superintendents, and local and statewide interest groups. Public comment was sought at a hearing held on Wednesday, September 16, 1987. Twenty-five persons, panels or organizations testified and/or submitted written comments. This report summarizes the issues explored by the Task Force, reflects the testimony received, and responds to in-depth fiscal and program information provided by budgetary and programmatic staff.

ISSUES: The Task Force primarily focused on the recommended level of State aid and the distribution formula of that aid to the counties and the counties' level of participation in the creation of an overall \$500 million State public school construction program. We also reviewed and discussed policy on reimbursement for forward-funded projects, systemic renovations,

relocatable classroom allocations, State class size standards, and the possible impact of local maintenance programs on school construction funds.

Since the inception of the Public School Construction Program in 1971, the State has incurred a responsibility of over \$3.2 billion in program costs including construction and debt service. This action has resulted in a major shift of the financial burden from the 23 counties and Baltimore City to the State. While these subdivisions are now paying between 9 and 27 percent of the project eligible costs and while four jurisdictions have forward-funded eligible projects to assure that local needs were met promptly, the fact remains that for the past fifteen years the State of Maryland has provided the lion's share of school construction costs.

Even so, the State's affordability is strained and the backlog of requests for public school construction continues to grow rapidly, with local requests for the next five years currently totalling approximately \$1 billion. The Interagency Committee on School Construction (IAC) has evaluated the requests submitted in October, 1986, and judged that approximately \$490 million of this amount constitutes projects of the highest priority (labeled Code "A"). Another \$390 million constitutes projects that the State anticipates approving, but significant questions remain before final approval could be given (Code "B"). The remaining \$35 million in requests are of doubtful eligibility (Code "C"). During the Task Force's deliberations, the October, 1986, information was provided and used as a basis for deliberations as later information was not available. We



should note that subdivisions were to have submitted revised annual requests to the IAC by mid-October. These submittals undoubtedly have altered these figures and have most likely increased the list of Code "A" and "B" projects.

The Task Force acknowledges that other State and local priorities for capital projects also must be addressed. The State has provided major funding to local subdivisions for economic development, county correctional facilities, community development, water quality, and community colleges, among others. Currently, construction aid to local governments for schools and other projects accounts for 40 percent of the State's new capital obligations. Another major obligation is to meet State agency needs, such as public college and university capital projects, correctional facilities and health facilities. We recognize that all of these much-needed projects must be done within certain realistic limitations of State debt affordability and that school construction projects must be balanced against other critical State and local needs.

The Task Force also acknowledges that local governments are faced with major school construction demands which are not covered by the State program or which arise from absolute enrollment growth, intracounty enrollment shifts, and aging and outdated facilities. Further, we acknowledge that local subdivisions are faced with significant pressures for other capital projects, such as roads, water and sewer projects, to name a few.

The Task Force further recognizes that local subdivisions are governed by spending and debt constraints similar to those imposed on and by the

State. While local debt affordability is difficult to quantify uniformly between all twenty-four jurisdictions, we are aware that increased demands for construction may impose a hardship on a number of subdivisions. Therefore, we have attempted to recognize in our recommendations the varying fiscal capacities of the jurisdictions to absorb additional costs.

RECOMMENDATION: The Task Force recommends a \$500 million, five year program for the State school construction program. Initially, the State should provide \$60 million annually, with approximately \$40 million provided by local governments. For those areas currently eligible for State funding, the new formula should represent 75 percent State aid for poorer subdivisions and a sliding scale to a minimum of 50 percent State aid for wealthier subdivisions. The split scale should be a reflection of the State share of the Basic Current Expense Formula.

We urge that the Governor and the General Assembly increase the annual funding level to provide for inflation in construction costs and the growth in the capital debt affordability limits.

This Basic Current Expense Formula already is used by the State as a basis for determining the State share of capital construction costs for community colleges. The Task Force selected the Basic Current Expense Formula because it represents not only the largest State aid program (over \$600 million will be distributed to the subdivisions in Fiscal Year 1988 using this formula), but one which is already familiar to the subdivisions and provides a stable percentage level of State support. Moreover, the

formula was designed to recognize that some subdivisions have a lesser ability to raise revenues from local tax bases and provides them relatively more State aid. The option presented simply uses the amount of the State share of the basic program in a given county as a method for funding eligible school construction costs. This "percent State share" for a county under the formula is used to categorize each of the subdivisions into one of four funding categories ranging from 50 percent to 75 percent. (Attachment A provides additional information).

This \$500 million program could allow the State to address nearly all of the highest priority (Code "A") projects now before the Interagency Committee and provide some funds for systemic renovation projects and relocatable buildings. With substantially increased local participation, the IAC will be able to increase the number of projects from approximately twelve annually to approximately seventeen annually. The Task Force recognizes that there are six projects with prior approval that likely would be fully funded for eligible construction costs by the State under existing guidelines. The funding of these projects would, in effect, slightly reduce the projected State funds anticipated by each school system over the five-year period for Code "A" projects (as per Attachment A.)

If in subsequent years the State is able, as the Task Force urges, to increase the program's annual funding to provide for inflation and to reflect growth in the State's capital debt affordability limits, this number of approved projects will increase. Obviously, if the State does increase its annual commitment to reflect these two factors, it is assumed

that the local subdivisions will also be asked to increase their participation level proportionately so that the 60-40 percent formula remains intact.

The Task Force is mindful of the major commitment local subdivisions are already making in school construction. Currently, local expenditures account for between 9 and 27 percent of total construction costs. In addition, four subdivisions - Anne Arundel, Charles, Howard and Montgomery counties - have forward-funded major eligible projects to assure their prompt construction and completion prior to a date possible under the State's program. Even so, we now must ask the local governments to assume an even greater share of construction costs.

The State largely created the Public School Construction Program in the early 1970's, because the State had experienced significant growth in school enrollments throughout the '60's. Many subdivisions had been unable to keep pace with construction requirements. The State financed hundreds of millions of dollars in school construction throughout the '70's, and brought the statewide system to a position where virtually all construction needs were met. Now, after several years of declining enrollments, subdivisions are again experiencing increased student enrollment, particularly at the elementary school level.

The State's financial position has changed substantially since the Public School Construction Program first was created. This change in financial position in part is due to the State's obligations in school construction, which constitutes 36 percent of the State's total outstanding

debt. The Board of Public Works and the General Assembly now are confronted with debt affordability limitations and, also confronted with new construction requirements that now are unique. As a result, the State now must look to the local governments to assume an even greater share of construction costs. Only through this increase in local fiscal obligations can we assure that those proposed schools, deemed of highest priority by the counties and the State, can be constructed within the next several years. The Task Force primarily is concerned with meeting education needs while recognizing fiscal constraints and intergovernmental fiscal balance.

The Task Force reviewed local fiscal capacity, bond-indebtedness, general population and school enrollment growth estimates. We weighed comments made by seventeen of the twenty-four subdivisions on their priorities and needs, and their ability to pay. To accommodate the various and sometimes conflicting local needs and constraints, the Task Force reviewed over ten funding options submitted by Task Force members, individual counties, statewide interest groups and staff. After prolonged review and discussion, the Task Force generally has reaffirmed its preliminary recommendations, underscoring the \$300 million State commitment over five years, and the necessity to call on the local governments to provide the remaining funding for school construction.

RECOMMENDATION: In addition, the Task Force recommends that if the State is able to provide annual school construction funding in excess of \$60 million, as outlined in our first recommendation, the State provide

additional aid to counties with absolute growth in school enrollment. We further recommend that any additional monies also be targeted to fiscally burdened subdivisions.

RECOMMENDATION: The Task Force recommends that counties that have forward-funded construction projects be reimbursed for those projects within the constraint of the new funding formula and program guidelines. This limitation assumes that current program policies and procedures would remain intact; that is, schools already built but not yet formally approved by the IAC would be eligible for funding. We caution, however, that anticipated Federal regulations implementing the Tax Reform Act of 1986 may preclude the State from providing tax exempt bond proceeds to reimburse counties for forward-funded projects. This does not eliminate refunding but underscores the complexity of financing.

RECOMMENDATION: We further recommend that the funding of relocatable classrooms, and systemic renovations should be included in the overall program. We note, however, that while the Task Force did not consider any recommendations for a specific set-aside for systemic renovations or relocatable classrooms, general discussion focused on expenditures representing 8-10 percent of the State program allocations.

ISSUE: STATE RATED CAPACITY. The Task Force was asked to consider altering the current rated-capacity formula for elementary schools to a

figure more closely resembling current actual occupancy levels. Standards now used by the State are: 25 pupils for each kindergarten space; and 30 pupils for each classroom or instructional area grades 1-5/6. We reviewed information submitted by the Interagency Committee and recommendations from several Task Force members. We also heard from seven individuals at the public hearing on this matter: all speaking to this issue recommended a reduction in the capacity standards to reflect actual smaller class sizes.

RECOMMENDATION: The Task Force restates the recommendation made by the 1985 Task Force to Examine the School Construction Program.

"The Interagency Committee should review the State rated capacity formula, which is used by the State in reviewing the justification for a project and in establishing the student capacity of a project for funding purposes. Currently, 30 students per classroom is used as the capacity rating for Grades 1-6, but class size has been declining as a matter of practice."

We urge the Interagency Committee to review that matter and take prompt action.

ISSUE: SCHOOL MAINTENANCE. The charge presented to the Task Force asked that we examine local school maintenance and recommend whether there should be an incentive or disincentive linking construction funding to local maintenance efforts. We examined the maintenance survey results prepared by the Department of General Services and reviewed a suggestion made by

Dorchester County's School Superintendent to penalize a subdivision by at least ten percent or more for less than satisfactory facility ratings. We also reviewed other unquantifiable factors such as available quality work force, local pride, and age of building, among others. We recognize that it is nearly impossible to fairly compare and contrast the upkeep and maintenance of local school system facilities.

RECOMMENDATION: Therefore, while we expect that local subdivisions will continue to place sufficient and adequate emphasis on the upkeep and maintenance of their physical plant, we recommend that the State impose no formal link between such maintenance and the level of State school construction assistance.

ISSUE: FINANCING ASSISTANCE OPTIONS. As mentioned earlier, the Task Force recognizes that its recommendations on financing school construction leave a substantial portion of the cost of school facilities to be borne by local subdivisions. If adopted, this recommendation represents a significant shift in Maryland's intergovernmental fiscal policy.

RECOMMENDATION: Being sensitive, however, to the effect additional cost burdens will have upon local finances, credit ratings, and the overall balance of affordability among public programs competing for tax based resources, the Task Force recommends that the Governor and General Assembly give urgent attention and top priority to carrying out an analysis and



evaluation of the effect of the Task Force recommendations upon the financial condition of local subdivisions.

As part of this review, the Task Force suggests that a comprehensive examination include a variety of options that might be available to alleviate and neutralize the impact of the shift of a greater proportion of school construction costs to local subdivisions. Such options would include, but not be limited to, creating a revolving loan fund to assist local units with subsidized borrowing, establishing a public school building authority to facilitate access on an equal footing for each local unit to the capital markets, establishing an interest rate subsidization formula to be funded by the State, adoption of supplemental funding formulas for unique cases of hardship based upon fiscal capacity or enrollment growth, and other such mechanisms which may serve to assist local units in absorbing the incremental cost of school construction resulting from adoption of these Task Force recommendations.

The Task Force received a specific proposal, from a member, for the creation of a public school building authority which was favorably received by the Task Force. A copy of this proposal is attached (Attachment B) and referred for consideration as an integral part of this fiscal impact evaluation.

We feel that our fiscal recommendations can be reviewed by the Inter-agency Committee and by the Board of Public Works and implemented in

sufficient time to affect the Fiscal Year 1989 program. We stand ready to assist you in any possible way and hope that our efforts will be helpful to you in making critical modifications to an important statewide program which has done and must continue to do much toward meeting our school construction and renovation needs.

\*\*\*\*\*  
SCBC2ST PROPOSED SCHOOL CONSTRUCTION FUNDING OPTION  
FY 1989-1993  
\$ in 000's

BASED ON BASIC CURRENT EXPENSE SHARE  
USING A STEP APPROACH

COUNTY	CONSTRUCTION REQUESTS CODE 'A' FY 1989-1993	STATE SHARE CATEGORY 1 50 %	***** ADDITIONAL STATE SHARES ***** CATEGORY 2 ADD 5 %	CATEGORY 3 ADD 10 %	CATEGORY 4 ADD 10 %	TOTAL 5-YEAR STATE SHARE \$	TOTAL 5-YEAR STATE SHARE %	TOTAL 5-YEAR LOCAL SHARE \$
ALLEGANY	\$5,597	\$2,799	\$280	\$560	*	\$3,638	65%	\$1,959
ANNE ARUNDEL	68,958	34,479	3,448		*	37,927	55%	31,631
BALTIMORE CITY	52,688	26,344	2,634	5,269	\$5,269	39,516	75%	13,172
BALTIMORE	56,275	28,138			*	28,138	50%	28,133
CALVERT	18,748	9,374			*	9,374	50%	9,374
CAROLINE	0	0	0	0	0	0	75%	0
CARROLL	15,450	7,725	773	1,545	*	10,043	65%	5,409
CECIL	23,024	11,512	1,151	2,302	2,302	17,268	75%	5,755
CHARLES	8,674	4,337	434	867	*	5,638	65%	3,036
DORCHESTER	500	250	25	50	*	325	65%	175
FREDERICK	5,961	2,981	298	596	*	3,875	65%	2,086
GARRETT	5,554	2,777	278	555	555	4,166	75%	1,339
HARFORD	5,772	2,886	289	577	*	3,752	65%	2,020
HOWARD	25,460	12,730			*	12,730	50%	12,730
KENT	0	0	0		*	0	55%	0
MONTGOMERY	121,405	60,703			*	60,703	50%	60,703
PRINCE GEORGE'S	46,076	23,038	2,304		*	25,342	55%	20,734
QUEEN ANNE'S	11,047	5,524	552		*	6,076	55%	4,971
ST. MARY'S	4,726	2,363	236	473	*	3,072	65%	1,654
SOMERSET	0	0	0	0	0	0	75%	0
TALBOT	0	0			*	0	50%	0
WASHINGTON	1,388	694	69	139	*	902	65%	486
WICOMICO	12,583	6,292	629	1,258	*	8,179	65%	4,404
WORCESTER	0	0			*	0	50%	0
STATE	\$489,896	\$244,943	\$13,400	\$14,192	\$8,127	\$280,661	57%	\$209,225

All figures are estimates based on approved Code "A" projects as of August, 1987. Figures will fluctuate when new county construction needs are made known and priorities determined. This calculation does not take into account six projects which have received prior approval. The funding of these projects would, in effect, slightly reduce the projected State funds anticipated by each school system.

NOTES:

- Requests adjusted to reflect estimated total eligible costs, but are stated in terms of 1987 dollars.

Categories are based on " % State Share" of Basic Current Expense (BCE) formula (see attached for details):

- Category 1 = State funds a minimum of 50% for all subdivisions.
- Category 2 = State funds additional 5% if "% St Shr" of BCE > 50%.
- Category 3 = State funds additional 10% if "% St Shr" of BCE > or = 60%.
- Category 4 = State funds additional 10% if "% St Shr" of BCE > or = 70%.

STATE AID AS A PERCENT OF BASIC CURRENT EXPENSE PROGRAM  
FY. 1986 - 1988

CO ID	COUNTY	FY 1986				FY 1987				FY 1988				3-YR AVG				For Purposes of School Construction	
		% ST SHR	FY 1986 % ST SHR	FY 1987 % ST SHR	FY 1988 % ST SHR	FY 1987 % ST SHR	FY 1988 % ST SHR	FY 1988 % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	3-YR AVG % ST SHR	ASSIGNED CATEGORY	TOTAL STATE % SHARE
24	WORCESTER	.114	.036	.036	.033	.061	.06	.06	.06	.06	.06	.06	.06	.06	.06	.06	.06	1	.50
16	MONTGOMERY	.189	.193	.184	.184	.189	.19	.19	.19	.19	.19	.19	.19	.19	.19	.19	.19	1	.50
21	TALBOT	.236	.239	.240	.238	.238	.24	.24	.24	.24	.24	.24	.24	.24	.24	.24	.24	1	.50
4	BALTIMORE	.366	.368	.364	.364	.366	.37	.37	.37	.37	.37	.37	.37	.37	.37	.37	.37	1	.50
5	CALVERT	.405	.431	.431	.458	.431	.43	.43	.43	.43	.43	.43	.43	.43	.43	.43	.43	1	.50
14	HOWARD	.441	.444	.444	.430	.438	.44	.44	.44	.44	.44	.44	.44	.44	.44	.44	.44	1	.50
2	ANNE ARUNDEL	.541	.528	.528	.527	.532	.53	.53	.53	.53	.53	.53	.53	.53	.53	.53	.53	2	.55
15	KENT	.545	.539	.539	.536	.540	.54	.54	.54	.54	.54	.54	.54	.54	.54	.54	.54	2	.55
18	QUEEN ANNE'S	.549	.544	.544	.545	.546	.55	.55	.55	.55	.55	.55	.55	.55	.55	.55	.55	2	.55
17	PRINCE GEORGE'S	.565	.559	.559	.558	.561	.56	.56	.56	.56	.56	.56	.56	.56	.56	.56	.56	2	.55
7	CARROLL	.622	.626	.626	.635	.628	.63	.63	.63	.63	.63	.63	.63	.63	.63	.63	.63	3	.65
11	FREDERICK	.627	.630	.630	.637	.631	.63	.63	.63	.63	.63	.63	.63	.63	.63	.63	.63	3	.65
9	CHARLES	.648	.636	.636	.640	.641	.64	.64	.64	.64	.64	.64	.64	.64	.64	.64	.64	3	.65
22	WASHINGTON	.642	.642	.642	.643	.642	.64	.64	.64	.64	.64	.64	.64	.64	.64	.64	.64	3	.65
13	HARFORD	.644	.649	.649	.649	.647	.65	.65	.65	.65	.65	.65	.65	.65	.65	.65	.65	3	.65
23	WICOMICO	.646	.652	.652	.657	.652	.65	.65	.65	.65	.65	.65	.65	.65	.65	.65	.65	3	.65
10	DORCHESTER	.665	.657	.657	.659	.660	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	3	.65
19	ST. MARY'S	.667	.665	.665	.666	.666	.67	.67	.67	.67	.67	.67	.67	.67	.67	.67	.67	3	.65
1	ALLEGANY	.670	.679	.679	.683	.677	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	.68	3	.65
8	CECIL	.709	.708	.708	.705	.707	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	4	.75
3	BALTIMORE CITY	.708	.707	.707	.708	.708	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	4	.75
12	GARRETT	.714	.712	.712	.711	.712	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	.71	4	.75
6	CAROLINE	.739	.738	.738	.740	.739	.74	.74	.74	.74	.74	.74	.74	.74	.74	.74	.74	4	.75
20	SOMERSET	.743	.739	.739	.743	.742	.74	.74	.74	.74	.74	.74	.74	.74	.74	.74	.74	4	.75
STATEWIDE		.522	.519	.519	.517	.519	.52	.52	.52	.52	.52	.52	.52	.52	.52	.52	.52		

## NOTES:

- The Basic Current Expense Formula is a State/local shared funding formula. The basic program amount under the formula is the product of FTE(enrollment) & a per pupil foundation amount. The formula distributes State aid per student inverse to local wealth per student. The " % ST SHR" reflects the amount of the basic program funded by the State.

Source: Md. State Dept. of Educ, Comptroller of the Treasury & Dept. of Assessments & Taxation

## MARYLAND PUBLIC SCHOOL BUILDING AUTHORITY

Purpose

A Maryland Public School Building Authority would be established to assist all Maryland counties in the financing of new public school buildings, extensions and improvements to existing structures, and other approved capital projects. Through the Authority each county would have access to financial markets on an equal basis at interest rates supported by aa AA/AAA credit rating. The underlying concept of such an Authority resides in the principle that the State is constitutionally responsible for a uniform system of education and, accordingly, in providing for public school facilities, the State is making available a borrowing mechanism that overcomes distinctions among and between the local units as this pertains to their access to the capital markets and their cost of capital.

Function

The Authority would be authorized by the Maryland General Assembly to issue and incur bonded and other forms of indebtedness on behalf of local units of government for school purposes. Bonds would be issued in the name of the Authority for a term not exceeding the useful life of the school facilities. The issuing county would, in turn, borrow the funds from the Authority by providing a general obligation full faith and credit pledge. Outstanding bonds would not constitute a debt of the State and would not be backed by a pledge of the full faith and credit of the State. Authority bonds would be general obligations of the Authority supported by general obligation loan agreements with the participating jurisdictions.

Additional security would be provided through the establishment of a debt service reserve fund which is pledged through a Trustee to the bondholders. In addition, a specifically identified revenue source should be pledged to the Authority as another level of security to repay the bonds. For example, the State might be permitted to intercept the local share of the income tax of any county that fails to meet its debt service payments. As further backup, the State might agree to replenish the debt service reserve fund in the event of any deficiencies.

Background

Several states, including Florida, Georgia, Indiana, Maine, New York, and Virginia have provisions for the withholding of state aid in the event of a default on local school bonds. These provisions are mandatory and structured to be promptly used to

remedy a default situation. Thus, the provisions enhance the credit of the issuer.

In Florida, each county pledges to the Board of Education a share of motor vehicle license fees sufficient to meet debt service payments on the bonds issued on its behalf. Certain debt limits and debt service coverage requirements govern the size of the Florida program. Florida bonds carry the full faith and credit of the State in addition to being secured by the motor vehicle tax. The Florida school bonds are rated Aa/AA.

Virginia Public School Authority (Aa/AA) bonds do not constitute a pledge of the full faith and credit of the Commonwealth. The Authority simply issues bonds to finance the buying of general obligation school bonds issued by the counties. Accordingly, bonds issued by the Authority are payable from an assignment of the payments received on these general obligation bonds. Each county pledges its share of the Literary Fund (a fund established to support public education in the State) as security against the bonds.

The New York City Educational Construction Fund is authorized to issue bonds to finance public school construction. The Fund subsequently leases the school structure to the City at a rate sufficient to cover debt service payments. A Capital Reserve Fund is maintained from excess rents and rental income from non-school portions of the structures. New York City pledges to maintain this reserve fund at a level equal to annual debt service. The State Comptroller, upon notification of a default, is required to deduct from the next payment of state aid for schools an amount sufficient to meet debt service payments.

LDS/August 26, 1987

## APPENDIX

HISTORY OF  
PROGRAM COST  
&  
IMPACT



**COST AND IMPACT OF THE PUBLIC SCHOOL CONSTRUCTION PROGRAM  
UPDATE - AUGUST, 1987**

**Program Components**

The Public School Construction Program has had a significant financial impact on State and local government. Since July, 1971, the State has funded the cost of the School Construction Program and has assumed each school district's bond debt which was obligated or outstanding as of June 30, 1967.

Thus, there are two cost components to the State's School Construction Program:

- (1) "New Program" debt service contracted by the State after July 1, 1971 for the full approved eligible cost of construction of public schools; and
- (2) Local debt assumed by the State for contracts let by the subdivisions for public school construction prior to June 30, 1967.

Funds to pay the debt service are from general fund revenues and State property taxes and are budgeted to the State Department of Education.

The fiscal objective of the program has been to relieve the subdivisions of the financial obligation to provide needed educational facilities. The financial burden of school construction costs largely has been shifted from the subdivisions to the State.

The following summarizes the two cost components of the program.

**(1) "New Program"**

Since the inception of the "new program" in FY 1972, the State has received requests from local subdivisions for **\$3.3 Billion** (FY 72-88) in assistance. Over the same period the State has authorized **\$1.6 Billion** (with **\$1.5 Billion** actually issued) to finance the costs of the new construction program. The interest rate has ranged from a low of 4.3% (January, 1972) to a high of 11.3% (November, 1981).

**Exhibit 1** reflects the request and authorization levels for each year of the program and shows that overall authorizations were 48% of requests. However, two-thirds of the school construction debt was authorized in the early years of the program when there was a significant level of unmet construction needs. For the period FY 72-76 requests averaged **\$392 Million** and authorizations averaged **\$208 Million**, representing a funding level of 53% of the requests. Since FY 1976, requests have averaged **\$115 Million** and authorizations **\$46 Million**, representing a funding level of 40% of the requests.

Exhibit 2 reflects the allocation of the **\$1.6 Billion** school construction bond authorizations to the subdivisions under the "new program" through FY 1988. These allocations represent the principal on bonds issued (or to be issued) and do not reflect the interest on the debt or the actual cash advanced to the counties under the program. The exhibit also displays the newly eligible "systemic renovations" as a separate category of authorizations.

Exhibit 3 reflects by subdivision the actual debt service costs (i.e., principal and interests) incurred by the State for the Public School Construction Program since its inception in FY 1972. With respect to the "new program" costs, **\$1.4 Billion** has been expended through FY 1987 as shown in column 1.

#### (2) Local Debt Assumed

As a result of assuming the county debt service obligations outstanding at June 30, 1967, the State assumed costs of **\$755.6 Million** for the following 3 types of obligations:

- obligations to pay interest and principal on debt issued prior to June 30, 1967 by the counties to finance school construction.
- obligations of the subdivisions to pay interest and principal on State issued debt prior to June 30, 1967 under the General Public School Construction Loan (GPSCL) program. It should be noted that this program, through which the State issued bonds to loan funds to the subdivisions, continued after fiscal 1967 and consequently there are substantial annual payments to the State by the subdivisions that are not reimbursed by the State.
- obligations for debt service on GPSCL and county bonds that were issued after June 30, 1967 for construction payments on "contracts let" prior to June 30, 1967. This category was assumed by the State pursuant to Chapter 245 Acts of 1973.

Of the **\$755.6 Million** in assumed obligations, Exhibit 3 also shows that the State has paid **\$697.8 Million** through FY 1987. The balance will be repaid through 1998.

#### State Cost of Program

Exhibit 4 summarizes by fiscal year the total cost of the School Construction Program to the State. It shows that **\$2.1 Billion** has been expended through FY 1987 (and over **\$2.2 Billion** through FY 1988). Costs have grown in each fiscal year through 1987 as the result of the very large authorization levels (ranging from **\$150 Million** to **\$300 Million** annually) in the early years of the program coupled with new authorizations (ranging from **\$22 Million** to **\$69 Million**) in the ensuing years (refer to Exhibit 1). Based on the relatively low authorization levels in recent years, the costs incurred by the State has peaked at the FY 1987 level of **\$181 Million** (unless State authorizations take a dramatic upward turn).

Additionally, the State's projected costs for debt already authorized under the Program must be considered to fully appreciate the total cost to the State for actions taken to date. Outstanding debt service for the "new program" totals about **\$1.0 Billion** and the State's remaining liability for local debt assumed amounts to **\$57.8 Million**. Also authorized but unissued debt of **\$78.8 Million** should result in estimated debt service costs of **\$130 Million** (at an assumed interest rate of 7%). Table 1 summarizes the State costs for actions taken to date under the Public School Construction Program.

**Table 1**

**State Cost of Public School Construction Program**

● Incurred through FY 1987	\$ (Millions)
New Program Debt Service	\$ 1,366.2
Local Debt Assumed	697.8
Paid (FY 72-87)	\$ <u>2,064.0</u>
● Liability for Authorizations	
New Program Debt Service (Issued Bonds)	\$ 986.4
New Program Debt Service (Authorized, but Unissued Bonds-Estimate)	130.0
Local Debt Assumed Outstanding	57.8
Liability	\$ <u>1,174.2</u>
● Total Costs	\$ 3,238.2

TOTAL STATE CAPITAL PUBLIC EDUCATION AID PAYMENTS (FY72-88)-BY COUNTY  
 --STATE CAPITAL EDUC AID PAYMENTS--

PROG YR	FISCAL YEAR	NEW PROG (PRIN+INT) FY	DEBT SVC ASSUMED FY	TOTAL (COL 1&2) FY
1	1972	1,986,000	62,921,000	64,907,000
2	1973	1,418,000	59,757,000	61,175,000
3	1974	9,154,000	61,486,000	70,640,000
4	1975	20,623,000	58,127,000	78,750,000
5	1976	34,241,000	57,662,000	91,903,000
6	1977	52,119,000	56,275,000	108,394,000
7	1978	70,740,000	53,693,000	124,433,000
8	1979	85,332,000	48,468,000	133,800,000
9	1980	99,951,000	44,322,000	144,273,000
10	1981	111,497,000	40,275,000	151,772,000
11	1982	124,969,000	35,700,000	160,669,000
12	1983	134,257,000	29,363,000	163,620,000
13	1984	146,066,000	27,211,000	173,277,000
14	1985	153,412,000	24,143,000	177,555,000
15	1986	157,944,000	20,225,000	178,169,000
16	1987	162,532,000	18,145,000	180,677,000
SUBTOTAL		1,366,241,000	697,773,000	2,064,014,000
17	1988(PROJ)	156,386,000	14,074,000	170,460,000
TOTAL		1,522,627,000	711,847,000	2,234,474,000

• State Cost of Public School Construction Program - By Fiscal Year - FY 1972-1988

Column 1 - Reflects the State debt service costs of the "new program".

Column 2 - Reflects the local debt service costs assumed by the State.

Column 3 - Reflects total cost to the State for the program to date.

Note: All costs have been rounded.

Prepared by: Department of Fiscal Services, August, 1987

BOND ALLOCATIONS-PUBLIC SCHOOL CONSTRUCTION PROGRAM (PRINCIPAL ONLY @ 6/30/87)			
CO	SCH CONS	SYS RENS	TOTAL
ID	FY 72-88	FY 1988	FY 72-88
1 ALLEGANY	37,125,409	0	37,125,409
2 ANNE ARUNDEL	193,436,651	150,000	193,586,651
3 BALTIMORE CITY	254,363,319	1,568,000	255,931,319
4 BALTIMORE	109,825,324	372,000	110,197,324
5 CALVERT	36,665,174	171,000	36,836,174
6 CAROLINE	15,667,112	0	15,667,112
7 CARROLL	58,709,513	121,000	58,830,513
8 CECIL	21,338,878	0	21,338,878
9 CHARLES	56,998,961	0	56,998,961
10 DORCHESTER	32,826,951	156,000	32,982,951
11 FREDERICK	76,623,019	60,000	76,683,019
12 GARRETT	24,062,373	0	24,062,373
13 HARFORD	85,525,849	63,000	85,588,849
14 HOWARD	80,542,364	0	80,542,364
15 KENT	7,628,740	0	7,628,740
16 MONTGOMERY	168,942,626	0	168,942,626
17 PRINCE GEORGE'S	142,076,333	360,000	142,436,333
18 QUEEN ANNE'S	12,060,155	0	12,060,155
19 ST. MARY'S	35,346,856	144,000	35,490,856
20 SOMERSET	22,829,079	0	22,829,079
21 TALBOT	6,761,915	0	6,761,915
22 WASHINGTON	42,374,424	0	42,374,424
23 WICOMICO	34,335,582	222,000	34,557,582
24 WORCESTER	24,575,169	0	24,575,169
25 STATE PROJECTS	11,975,683	0	11,975,683
26 STWD CONTING'CY	182,541	113,000	295,541
	1,592,800,000	3,500,000	1,596,300,000

● State Public School Construction Program - Bond Allocations by Subdivision - FY 1972-1988

Column 1 - Reflects bond allocations for the program, exclusive of allocations for systemic renovations.

Column 2 - Reflects a new category of eligible costs--Systemic Renovations--for which a separate bond authorization act was enacted at the 1987 Session of the General Assembly.

Column 3 - Reflects total bond allocation amounts. None of the figures on this chart reflect interest costs associated with the debt.

Prepared by: Department of Fiscal Services, August, 1987

TOTAL STATE CAPITAL PUBLIC EDUCATION AID PAYMENTS (FY72-87)-BY COUNTY-6/30/85  
 \* --STATE CAPITAL EDUC AID PAYMENTS--

CO ID	COUNTY	NEW PROG (PRIN+INT) FY 72-87	DEBT SVC ASSUMED FY 72-87	TOTAL (COL 1&2) FY 72-87
1	ALLEGANY	32,982,010	5,356,000	38,338,010
2	ANNE ARUNDEL	181,292,835	60,019,000	241,311,835
3	BALTO. CITY	203,282,673	154,430,000	357,712,673
4	BALTIMORE	99,917,739	132,828,000	232,745,739
5	CALVERT	26,813,925	1,235,000	28,048,925
6	CAROLINE	16,248,113	3,753,000	20,001,113
7	CARROLL	42,122,623	3,109,000	45,231,623
8	CECIL	18,299,738	7,068,000	25,367,738
9	CHARLES	50,540,168	10,329,000	60,869,168
10	DORCHESTER	30,207,544	4,026,000	34,233,544
11	FREDERICK	65,909,597	20,367,000	86,276,597
12	GARRETT	18,316,178	938,000	19,254,178
13	HARFORD	80,090,205	20,786,000	100,876,205
14	HOWARD	78,075,378	9,055,000	87,130,378
15	KENT	8,274,605	495,000	8,769,605
16	MONTGOMERY	135,772,276	93,876,000	229,648,276
17	PRINCE GEORG	123,923,809	134,438,000	258,361,809
18	QUEEN ANNE'S	10,564,961	3,828,000	14,392,961
19	ST. MARY'S	27,393,063	3,346,000	30,739,063
20	SOMERSET	22,559,756	1,479,000	24,038,756
21	TALBOT	6,912,397	3,983,000	10,895,397
22	WASHINGTON	40,784,181	13,879,000	54,663,181
23	WICOMICO	28,522,817	8,642,000	37,164,817
24	WORCESTER	17,438,408	508,000	17,946,408
		1,366,244,999	697,773,000	2,064,017,999

• State Cost of Public School Construction Program - By Subdivision - FY 1972-1987

Column 1 - Reflects the State debt service cost of the "new program".

Column 2 - Reflects the local debt service costs assumed by the State.

Column 3 - Reflects total cost to the State for the program through FY 1987.

Note: Costs have been rounded in some cases.

Prepared by: Department of Fiscal Services, August, 1987

**COMPARISON OF TOTAL ANNUAL CAPITAL IMPROVEMENT  
PROGRAM (CIP) REQUESTS AND ANNUAL AUTHORIZATIONS**

<u>Fiscal Year</u>	<u>Actual Requested (\$000)</u>	<u>Authorized<sup>(1)</sup> (\$000)</u>	<u>Percent Authorized to Requests</u>	<u>Percent for Period Indicated</u>
1972	\$ 427,200	\$ 150,000	35.1%	53.1%
1973	417,062	300,000	71.9	
1974	402,050	220,000	54.7	
1975	392,365	212,000	54.0	
1976	320,468	160,000	49.9	
1977	246,559	50,000	20.3	
1978	202,372	69,000	34.1	
1979	102,970	57,000	55.4	40.1%
1980	110,772	62,000	56.0	
1981	96,474	45,000	46.6	
1982	88,594	45,000	50.8	
1983	47,138	32,000	67.9	
1984	58,360	22,000	37.7	
1985	84,794	36,000	42.5	
1986	90,241	34,600	38.3	
1987	80,748	44,300	54.9	
1988	174,793	57,400	32.8	
<b>Total</b>	<b>\$3,342,960</b>	<b>\$1,596,300</b>	<b>47.8%</b>	

**SUMMARY OF ANNUAL AND 5-YEAR CIP REQUESTS**

<u>Fiscal Year</u>	<u>As Per 10/84 CIP (\$ Millions)</u>	<u>As Per 10/85 CIP (\$ Millions)</u>	<u>As Per 10/86 CIP (\$ Millions)</u>
1986	\$90.2		
1987	140.8	\$80.7	
1988	108.3	197.8	\$174.8 <sup>(2)</sup>
1989	111.7	172.3	244.6
1990	85.9	144.2	144.2
1991	73.2	104.1	136.8
1992		86.3	169.9
1993			111.6
<b>Total</b>	<b>\$610.1</b>	<b>\$785.4</b>	<b>\$981.9</b>

(1) The "Authorized" amounts were actually approved in the year prior to the Fiscal Year indicated on this chart, but were to be applied to the requests in the Fiscal Year shown above.

(2) Includes \$15 million of systemic renovation requests (which are now eligible costs, but not reflected in projected requests).

Source: Interagency Committee on Public School Construction  
Prepared by: Department of Fiscal Services, August, 1987

STATE/LOCAL

DATA



# TIME-LINE FOR STATE/LOCAL CAPITAL IMPROVEMENT PROGRAM

<u>STATE CIP PROCESS</u>		<u>LOCAL CIP PROCESS</u>	
<u>Dates(1)</u>	<u>Action</u>	<u>Dates(1)</u>	<u>Action</u>
		May 1987 to October 1987	LEA preparation, presentation, and approvals of FY'89 CIP • LEA staff • Superintendent recommendations to Board of Education (2) • Board of Education public hearing (2) • Board of Education approval of CIP (2) • Submitted to local governmental body (2) • County government public hearing (2) • County government approval
July 7, 1987	IAC letter to DSP. Anticipated funding for FY'89.		
July 20, 1987	Letter to LEAs, Re: information for FY'89 CIP submittals		
August 1, 1987	Report of Debt Affordability Committee		
August 20, 1987	Meet with DSP to review FY'89 CIP - expected projects and bond authorization		
August 31, 1987	Preliminary bond authorization from Governor		
September 2, 1987	Letter to LEAs with tentative budget figure for FY'89 CIP		
October 15, 1987	FY'89 CIP submitted to IAC	October 15, 1987	Submit FY'89 CIP to IAC.
October 21, 1987 to November 6, 1987	Meetings with LEA representatives to review CIP submission (1/2 day each LEA - upon request)	October 21, 1987 to November 6, 1987	Meet with IAC Staff
November 13, 1987	Staff recommendations for FY'89 CIP - to IAC and LEAs		
		December 7, 1987	Last date for submittal of CIP request or amendments with local government approval
December 11, 1987	IAC Hearing	December 11, 1987	Appeal IAC Hearing (?)
January 20, 1987	Board of Public Works Hearing	January 20, 1988	Appeal Board of Public Works Hearing (?)
February 1, 1988	Bond bill(s) submitted (within first 20 days of legislative session)		
April 1988	Legislative approval of bond bill(s)	March 1988 to	Local budget process (Board of Education and local government)
May 1988	Governor signs bond bill(s)	May 1988	• Operating Budget • Capital Budget
June 1, 1988	Funds available	July 1, 1988	Begin new fiscal year.

Notes: (1) Dates are approximate/tentative  
(2) These actions may occur after October 15 but must be completed before December 7, 1987.

STATE/LOCAL SHARE IN PUBLIC SCHOOL CONSTRUCTION PROJECT COSTS

Typical Ranges of Local Costs for a School Construction Project

<u>Costs:</u>	<u>1971-77</u>	<u>1978-81</u>	<u>1981-86</u>	<u>1987 -</u>
Construction	0 - 5%	0 - 12%	0 - 10%	0 - 10%
Site Work	0 - 2	0 - 4	0 - 1	0 - 1
Architectural/ Engineering	0 - 1	4 - 5	4 - 5	4 - 5
Related Contracts	0 - 1	0 - 1	0 - 1	0 - 1
Equipment	0 - 2	0 - 7	0 - 5	5 - 10
TOTAL	0 - 11%	4 - 29%	4 - 22%	9 - 27%

NOTES:

- (1) Update of page 8 - Task Force Report, to reflect revision 9/17/86 by Board of Public Works - movable equipment a local responsibility.
- (2) The cost of land, which has always been a local responsibility, varies from project to project and is not reflected in the total.
- (3) State funds for construction (the maximum State construction allocation), are based on an approved projected enrollment (capacity) and square footage (scope). Local education agencies that plan for larger enrollments or design projects with additional square feet per pupil provide local funds for these "ineligible" portions of a project. In some situations, this has brought the local share of the construction costs to 30 percent or more.

PUBLIC SCHOOL ENROLLMENTS  
(Historical 1971-1986; Projected 1987-1996)

Attached are the following:

- Public School Historical Enrollment 1971-1984  
(from Task Force Report)
- Public School Projected Enrollment 1985-1994  
(from Task Force Report - based on September 1984 enrollments)
- Public School Projected Enrollment 1987-1995  
(based on September 1986 enrollments)

Observations:

- 1971 total enrollment was 919,782 students
- 1984 total enrollment was 665,838 students
- 1986 total enrollment was 666,386 students
- 1991 projected enrollment is 702,360 students
- 1996 projected enrollment is 747,940 students
- 1976-1986    -191,471 students (-22.33 percent)
- 1986-1996    + 81,554 students (+12.24 percent)
- Projected enrollment comparison 1986-1996 (attached)

Yale Stenzler  
5/97

PUBLIC SCHOOL HISTORICAL ENROLLMENTS 1971 - 1984

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
BALTIMORE CITY	189268	185471	181438	171299	163891	154727	149668	142920	133614	126718	120380	114287	111320	109611
ALLEGANY COUNTY	17289	17223	14988	16412	15993	15638	15153	14444	14044	13472	12843	12546	12251	11757
ANNE ARUNDEL COUNTY	75431	77071	78089	77836	77170	77031	75471	74021	71969	69845	67142	65251	64152	63267
ALTIMORE COUNTY	134136	131969	128700	126091	123371	119341	113900	108279	102575	97525	92218	87723	83931	80944
CALVERT COUNTY	4117	4287	4530	4712	4806	4722	4406	4222	3801	3797	3712	3677	3775	3721
CAROLINE COUNTY	5346	5345	5294	5101	5251	5154	5061	4849	4694	4438	4490	4345	4342	4292
CARROLL COUNTY	17213	17947	18442	18746	19224	19778	20145	20318	20296	20088	19734	19398	19194	19342
CECIL COUNTY	12349	12478	12513	13473	13401	13310	13282	13282	13047	12831	12575	12385	12187	11998
CHARLES COUNTY	14370	15575	16238	16700	16972	17309	17719	17807	17494	17315	17354	16911	16741	16444
DACHER COUNTY	4447	4373	4300	4191	4129	4032	3791	3503	3379	3140	3185	3039	3040	2891
FREDERICK COUNTY	20914	21472	21722	22084	22447	22942	23483	23655	23642	23459	23343	23132	23141	23394
GARRETT COUNTY	5707	5794	5783	5729	5780	5844	5761	5584	5330	5385	5340	5227	5111	5107
MARYLAND COUNTY	31420	32418	33332	33253	33719	33848	33589	33094	32021	30870	29819	28574	27712	27303
MCDONALD COUNTY	19049	20429	21777	23123	24007	24637	25440	25404	25400	25227	24803	24195	23934	24259
KENT COUNTY	3926	3860	3815	3447	3400	3444	3314	3204	3025	2850	2657	2522	2459	2407
MONTGOMERY COUNTY	126206	126310	125489	123615	121438	116838	112010	106808	101922	98124	94631	91158	90133	90582
PRINCE GEORGE'S COUNTY	162617	161775	154302	151024	148336	144583	139302	133411	127212	121981	116121	111747	108147	105817
QUEEN ANNE'S COUNTY	4771	4717	4451	4443	4256	4884	4925	4609	4773	4723	4404	4597	4573	4619
ST. MARY'S COUNTY	11834	11752	11941	11929	11905	12073	12291	12344	12417	12044	11444	11040	10788	10742
SOMERSET COUNTY	4429	4508	4421	4357	4270	4274	4065	3884	3784	3433	3504	3440	3354	3244
TALBOT COUNTY	5038	4991	4950	4816	4845	4500	4440	4270	4145	3994	3822	3758	3657	3479
WASHINGTON COUNTY	23864	23821	23607	23254	22924	22489	22041	21287	20525	19903	19054	18539	17922	17430
WICOMICO COUNTY	14392	14311	14104	13673	13504	13313	13025	12440	12227	11970	11570	11468	11293	11301
WORCESTER COUNTY	4607	4589	4612	4528	4341	4194	4043	3815	3581	3398	3071	2928	2849	3001
STATE TOTAL	91782	918584	908442	890506	874582	857309	833545	804012	77308*	745134	715490	682149	676174	645838

DATA PREPARED BY MARYLAND DEPARTMENT OF STATE PLANNING

## TOTAL SCHOOL ENROLLMENT

## PUBLIC SCHOOL HISTORICAL 1984 AND PROJECTED ENROLLMENT 1985-1994

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
BALTIMORE CITY	109611	108010	107090	106700	106010	105990	106030	106250	106590	106400	106100
ALLEGANY COUNTY	11757	11590	11470	11220	10940	10710	10620	10630	10730	10770	10890
ANNE ARUNDEL COUNTY	63267	62830	62580	62850	62590	62660	63240	64240	65430	66770	68180
BALTIMORE COUNTY	80964	78860	77420	76620	75780	75620	75980	77040	78360	79560	80860
CALVERT COUNTY	7921	8040	8160	8300	8440	8580	8820	9150	9460	9820	10180
CAROLINE COUNTY	4292	4300	4330	4370	4370	4430	4490	4580	4650	4740	4820
CARROLL COUNTY	19362	19310	19260	19270	19270	19280	19550	19910	20330	20690	21170
CECIL COUNTY	11998	11860	11690	11570	11450	11330	11300	11370	11410	11480	11530
CHARLES COUNTY	16666	16630	16660	16720	16790	17000	17440	18070	18750	19450	20270
DORCHESTER COUNTY	4891	4830	4780	4750	4660	4600	4570	4580	4610	4630	4640
FREDERICK COUNTY	23396	23680	24080	24250	24370	24520	24840	25300	25830	26440	27100
GARRETT COUNTY	5107	5090	5050	5000	4930	4870	4890	4960	5020	5110	5200
HARFORD COUNTY	27303	26680	26260	25950	25550	25280	25340	25620	25930	26290	26730
HOWARD COUNTY	24259	24310	24190	24360	24620	25120	25870	26770	27670	28730	29850
KENT COUNTY	2407	2340	2320	2290	2270	2270	2260	2260	2280	2280	2300
MONTGOMERY COUNTY	90582	90260	90310	90190	90530	91710	93590	95820	98020	100260	102550
PRINCE GEORGE'S COUNTY	105817	103390	101470	100280	98470	97630	97780	98510	99440	100350	101110
QUEEN ANNE'S COUNTY	4619	4650	4720	4790	4880	4970	5110	5290	5480	5610	5720
ST. MARY'S COUNTY	10742	10730	10700	10710	10710	10760	10950	11230	11510	11830	12190
SOMERSET COUNTY	3266	3270	3270	3300	3290	3260	3260	3300	3340	3360	3380
TALBOT COUNTY	3679	3660	3680	3700	3680	3700	3730	3810	3890	3970	4040
WASHINGTON COUNTY	17630	17340	17030	16790	16610	16450	16450	16570	16730	16890	17130
WICOMICO COUNTY	11301	11310	11380	11460	11480	11550	11680	11870	12060	12180	12360
WORCESTER COUNTY	5001	4960	4970	5010	5080	5140	5240	5360	5490	5610	5730
STATE TOTAL	665838	657910	652850	650450	646760	647430	653010	662460	672980	681330	694030

ALL PROJECTED FIGURES ROUNDED TO NEAREST TEN  
 PROJECTIONS PREPARED BY MARYLAND DEPARTMENT OF STATE PLANNING

# TOTAL SCHOOL ENROLLMENT

PUBLIC SCHOOL HISTORICAL 1986 AND PROJECTED ENROLLMENT 1987-1996

	1984	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
TIMORE CITY	107090	106550	104790	106800	108110	108420	109030	109230	108750	108320	107290
EGANY COUNTY	11528	11320	11100	10860	10710	10640	10690	10690	10720	10680	10580
IE ARUNDEL COUNTY	63793	64710	64980	65550	66380	67370	68540	69700	71020	71810	72540
TIMORE COUNTY	79229	79310	79180	79340	80260	82000	83290	84320	85530	86270	87010
VERT COUNTY	8392	8650	8900	9160	9560	9960	10290	10640	10980	11270	11520
OLINE COUNTY	4360	4410	4440	4480	4540	4580	4600	4660	4710	4700	4700
COLL COUNTY	20041	20510	20930	21230	21950	22550	23130	23640	24260	24770	25290
IL COUNTY	12032	12120	12220	12240	12350	12580	12770	12960	13090	13190	13270
LES COUNTY	17058	17230	17500	17830	18320	18960	19510	20080	20750	21230	21740
CHESTER COUNTY	4796	4790	4720	4700	4670	4710	4760	4790	4820	4820	4790
DERICK COUNTY	24616	25310	25680	26090	26580	27220	27710	28200	28670	29030	29300
ARETT COUNTY	5043	5020	4960	4880	4810	4800	4810	4850	4900	4960	5000
RFORD COUNTY	27830	28150	28330	28510	28680	29140	29570	30000	30440	30760	30970
WARD COUNTY	25539	26300	26870	27520	28510	29710	30800	32110	33140	34150	34990
NT COUNTY	2348	2320	2310	2320	2330	2320	2340	2360	2390	2380	2370
NTGOMERY COUNTY	93158	94630	95670	97700	100860	104060	106700	109550	112490	114610	116560
ANCE GEORGE'S COUNTY	102598	102060	101640	101590	102660	103760	104860	105980	106450	106580	106540
REEN ANNE'S COUNTY	4808	4910	4970	5020	5160	5340	5540	5670	5800	5900	6000
IA. MARY'S COUNTY	11265	11470	11650	11700	11850	12030	12190	12470	12750	12960	13190
HERSET COUNTY	3252	3280	3290	3280	3280	3320	3370	3400	3440	3460	3450
LBOT COUNTY	3784	3890	3940	4010	4070	4190	4300	4380	4460	4510	4520
SHINGTON COUNTY	17118	16930	16730	16550	16550	16680	16820	17000	17230	17340	17380
DMICO COUNTY	11612	11810	11880	11950	12190	12420	12580	12680	12810	12920	12970
CESTER COUNTY	5096	5140	5190	5300	5500	5620	5730	5850	5950	5980	5990
ATE TOTAL	666386	670820	67387	678620	689870	702360	713910	725200	735570	742600	747940

PROJECTED FIGURES ROUNDED TO NEAREST TEN  
FIGURES PREPARED BY MARYLAND DEPARTMENT OF STATE PLANNING

PROJECTED ENROLLMENT COMPARISON  
1986-1996(1)

<u>+10% or more</u>	<u>+5% to 9.9%</u>	<u>Unchanged (less than 5%<sup>±</sup>)</u>	<u>-5% to 9.9%</u>	<u>-10% or more</u>
Anne Arundel	Baltimore Co.	Baltimore City	Allegany	---
Calvert	Caroline	Dorchester		
Carroll	Somerset	Garrett		
Cecil		Kent		
Charles		Prince George's		
Frederick		Washington		
Harford				
Howard				
Montgomery				
Queen Anne's				
St. Mary's				
Talbot				
Wicomico				
Worcester				

(1) Includes all public school students K-12. Does not examine sub-groups (i.e., K-5, 6-8, 9-12) which could be different from totals.

# STATE-WIDE PUBLIC SCHOOL FACILITY INVENTORY(1)

	Actual Age(2) Sq. Ft.	%	Adjusted Age(3) Sq. Ft.	%
Prior 1900	107,555	.10	103,352	.10
1900 - 1909	46,475	.04	15,865	.02
1910 - 1919	443,185	.43	426,068	.41
1920 - 1929	2,024,614	1.94	1,280,027	1.23
1930 - 1939	3,484,458	3.34	2,717,906	2.61
1940 - 1949	2,221,431	2.13	1,655,096	1.59
1950 - 1959	19,915,637	19.11	15,176,617	14.56
1960 - 1969	35,831,601	34.37	34,122,483	32.73
1970 - 1979	35,893,330	34.44	40,645,039	38.98 (4)
1980 - 1989	4,274,039	4.10	8,099,872	7.77 (4)
TOTAL	<u>104,242,325</u>	<u>100.00</u>	<u>104,242,325</u>	<u>100.00</u>

## NOTES:

- (1) Inventory compiled from data submitted from local education agencies (3/16/87) - Update of page 24 - Task Force Report
- (2) Actual age - The date of occupancy of the original school building and any additions.
- (3) Adjusted age - The latest date of occupancy of a building or portion thereof or the latest renovation work.
- (4) Approximately 8,575,000 square feet of space in schools constructed between 1900 and 1969 were renovated between 1970 and 1986.



### MAINTENANCE SURVEY RESULTS

Three year weighted average based upon schools surveyed by PSCP.

Superior/Very Good	+4
Good	+3
Fair	+2
Poor	+1

<u>LEA</u>	<u>FY 83-85</u>	<u>FY 84-86</u>	<u>FY 85-87</u>
Allegany Co	3.3	2.8	2.4
Anne Arundel Co	3.3	3.1	3.4
Baltimore Co	3.0	3.1	3.1
Calvert Co	3.4	3.6	3.5
Caroline Co	3.0	2.8	3.0
Carroll Co	3.2	3.1	3.1
Cecil Co	3.2	2.7	2.8
Charles Co	3.4	3.3	3.0
Dorchester Co	3.2	3.5	3.7
Frederick Co	3.4	3.6	3.7
Garrett Co	2.9	2.6	3.0
Harford Co	3.2	2.8	2.9
Howard Co	3.7	3.7	3.6
Kent Co	3.5	3.2	2.8
Montgomery Co	2.9	2.8	2.8
Prince Georges Co	3.1	3.1	2.9
Queen Anne's Co	3.3	3.2	3.2
St. Mary's Co	2.9	2.4	2.5
Somerset Co	3.6	3.6	3.2
Talbot Co	2.9	2.7	3.2
Washington Co	3.8	3.6	3.6
Wicomico Co	3.2	3.3	3.3
Worcester Co	3.7	4.0	4.0
Baltimore City	3.2	2.8	2.7

**STATE AID FOR PUBLIC SCHOOLS**

**PROJECTED 5 YEAR INCREASES  
IN STATE OPERATING AID**

Prepared by: Department of Fiscal Services  
August, 1987

DATE 25 AUG 87 11:07:20 REPORT GENERATION BARBK

STATE AID--CURRENT EXPENSE--PROJECTED INCREASES

*PER	ID	COUNTY	Current Exp FY 1987	Cur Exp Inc FY 1988	Cur Exp Inc FY 1989	Cur Exp Inc FY 1990	Cur Exp Inc FY 1991	Cur Exp Inc FY 1992	5 YR INC FY 88-92	Current Exp FY 1992
1	ALLEGANY		12,524,951	1,404,390	1,056,898	1,031,026	1,066,902	1,222,965	5,782,181	18,307,132
2	ANNE ARUNDEL		53,298,891	6,495,528	5,938,697	5,613,142	6,278,157	7,600,375	31,925,899	85,224,790
3	BALTIMORE CITY		121,155,564	13,453,544	10,091,536	15,034,933	13,644,590	16,366,538	68,591,141	189,746,705
4	BALTIMORE		46,852,530	4,537,020	4,618,654	4,743,042	6,066,789	6,836,401	26,801,906	73,654,436
5	CALVERT		5,476,023	1,326,884	906,121	957,851	1,108,018	1,304,792	5,603,666	11,079,689
6	CAROLINE		5,036,646	663,157	524,333	533,982	549,372	657,335	2,928,179	7,964,825
7	CARROLL		19,430,977	3,083,744	2,304,641	2,277,998	2,594,768	3,502,177	13,763,328	33,194,305
8	CECIL		13,541,203	1,551,417	1,173,567	1,324,238	1,486,036	1,700,497	7,235,755	20,776,958
9	CHARLES		17,021,488	2,531,346	2,301,855	2,261,361	2,628,853	3,216,703	12,940,118	29,961,606
10	DORCHESTER		5,009,695	596,645	458,321	363,708	436,202	465,868	2,320,744	7,330,439
11	FREDERICK		23,725,912	3,986,991	2,679,456	2,902,088	3,266,469	3,800,709	16,635,713	40,361,625
12	GARRETT		5,964,210	659,809	482,982	539,608	531,139	548,199	2,761,737	8,725,947
13	HARFORD		28,301,672	3,732,764	3,161,462	3,275,479	3,705,150	4,529,180	18,404,035	46,705,707
14	HOWARD		17,655,135	1,882,982	1,704,627	2,102,265	2,136,677	3,010,803	10,837,354	28,492,489
15	KENT		2,032,869	195,947	171,507	163,204	224,979	164,308	919,945	2,952,814
16	MONTGOMERY		28,081,071	2,348,932	-229,396	1,093,268	3,219,683	5,287,887	11,720,374	39,801,445
17	PRINCE GEORGE'S		91,943,316	10,006,593	8,818,819	6,223,405	7,705,334	9,925,168	42,679,319	134,622,635
18	QUEEN ANNE'S		4,043,477	591,477	377,254	423,431	472,627	561,680	2,426,469	6,469,946
19	ST. MARY'S		11,489,109	1,755,052	1,310,488	1,372,633	1,583,073	1,906,694	7,927,940	19,417,049
20	SOMERSET		3,811,059	482,730	418,683	455,000	385,069	434,835	2,176,317	5,987,376
21	TALBOT		1,392,149	203,302	185,742	175,492	178,507	138,422	881,465	2,273,614
22	WASHINGTON		17,666,199	1,884,277	1,475,859	1,354,059	1,822,221	2,067,344	8,603,760	26,269,959
23	WICOMICO		11,664,316	1,668,386	1,370,254	1,360,910	1,536,423	2,056,359	7,992,332	19,656,648
24	WORCESTER		2,187,0	2,220	1,710	4,620	4,620	10,980	24,150	316,020
TOTAL			547,403,332	65,045,137	51,304,070	55,586,743	62,631,658	77,316,219	311,883,827	859,294,159

\*NOTES:

● Basic Current Expense State Aid increases are based on adjusted enrollment increases projected by the Dept. of State Planning and wealth base increases projected by the Dept. of Assessments & Taxation and the Dept of Fiscal Services. The Basic Current Expense Formula is a State/local shared funding formula. Per student aid is inversely related to per student local wealth.

\*Source: Md. State Dept. of Educ. & Dept. of Assessments and Taxation

\*Prepared by: Dept. of Fiscal Services, August 25, 1987

DATE 25 AUG 87 14:11:42 REPORT GENERATION BARBK

STATE AID--COMPENSATORY AID--PROJECTED INCREASES

*VAR	ID	CO	COUNTY	Comp. Aid FY 1987	Comp. Inc FY 1988	Comp. Inc FY 1989	Comp. Inc FY 1990	Comp. Inc FY 1991	Comp. Inc FY 1992	5 YR INC FY 88-92	Comp. Aid FY 1992
*PER	ID	ID									
1	ALLEGANY			964,977	122,777	127,111	110,279	123,739	128,588	612,494	1,577,471
2	ANNE ARUNDEL			1,910,873	228,273	184,984	142,864	182,357	193,750	932,228	2,843,101
3	BALTIMORE CITY			25,404,250	2,954,028	2,190,069	3,105,477	3,001,716	3,198,987	14,450,277	39,854,527
4	BALTIMORE			1,835,356	174,815	182,669	155,675	205,551	214,930	933,640	2,768,996
5	CALVERT			299,618	53,881	37,105	31,644	41,551	43,869	208,050	507,668
6	CAROLINE			361,768	46,242	35,245	28,062	32,052	33,275	174,876	536,644
7	CARROLL			445,640	61,958	45,982	35,243	47,747	55,600	246,530	692,170
8	CECIL			669,265	80,458	55,171	48,126	62,291	62,664	308,710	977,975
9	CHARLES			845,038	104,435	104,822	85,155	98,849	106,918	500,179	1,345,217
10	DORCHESTER			480,488	47,329	48,910	34,444	44,115	42,489	217,287	697,775
11	FREDERICK			660,903	90,652	61,164	53,710	67,704	69,725	342,955	1,003,858
12	GARRETT			538,402	50,941	52,497	57,685	54,714	51,547	267,384	805,786
13	HARFORD			1,248,286	156,128	128,014	114,791	141,165	152,663	692,761	1,941,047
14	HOWARD			287,682	26,933	21,614	20,741	23,637	27,422	120,347	408,029
15	KENT			133,557	13,598	11,764	9,325	13,678	10,876	59,241	192,798
16	MONTGOMERY			981,785	116,931	65,051	63,895	94,657	109,419	449,953	1,431,738
17	PRINCE GEORGE'S			3,673,053	383,387	357,482	217,111	322,501	351,352	1,631,833	5,304,886
18	QUEEN ANNE'S			194,060	23,517	14,469	10,925	15,391	15,948	80,250	274,310
19	ST. MARY'S			797,306	87,438	67,781	51,987	69,888	73,325	350,419	1,147,725
20	SOMERSET			368,876	47,084	43,720	42,556	38,578	38,115	210,053	578,929
21	TALBOT			113,998	11,293	10,962	9,350	11,003	10,418	53,026	167,024
22	WASHINGTON			1,188,557	135,245	124,085	84,785	135,610	139,649	619,374	1,807,931
23	WICOMICO			818,593	106,713	101,020	87,175	102,707	119,834	517,449	1,336,042
24	WORCESTER			13,063	10,050	7,948	15,435	7,311	9,232	49,976	186,039
TOTAL				44,313,394	5,134,106	4,079,639	4,616,440	4,938,512	5,260,595	24,029,292	68,387,686

\*NOTES:

- Compensatory aid is based on the federal Chapter 1 enrollment count and a per pupil \$ amount which is tied to the increasing per pupil \$ amounts under the basic current expense formula. Compensatory aid must be used to support instructional expenses, except that a portion must be dedicated to children with special educational needs.

\*Source: Md. State Dept. of Educ.

\*Prepared by: Dept. of Fiscal Services, August 25, 1987

CAPITAL  
IMPROVEMENT  
PROGRAM  
REQUESTS  
AND  
FUNDED  
PROJECTS

SECTION XII

MARYLAND PUBLIC SCHOOL CONSTRUCTION PROGRAM  
SUMMARY OF CIP REQUESTS FY '88 -- FY '93  
(IN \$000)

LEA	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	TOTALS
Allegany	--	--	14,713	7,208	--	--	21,921
Anne Arundel	23,624	16,662	14,407	5,074	12,830	21,618	94,215
Baltimore City	17,905	18,343	11,720	12,152	15,092	10,163	85,375
Baltimore County	1,145	14,047	19,799	3,835	17,331	12,572	68,729
Calvert	2,840	6,841	4,797	7,479	8,221	--	30,178
Caroline	--	--	--	--	--	--	--
Carroll	5,889	23,450	8,500	--	--	--	37,839
Cecil	195	10,182	--	3,845	14,680	5,062	33,964
Charles	3,778	2,710	5,285	8,311	19,966	--	40,050
Dorchester	403	259	759	720	--	--	2,141
Frederick	6,482	15,323	--	6,332	4,726	12,052	44,915
Garrett	--	--	5,554	--	--	--	5,554
Harford	229	902	4,917	4,870	4,870	4,870	20,658
Howard	16,786	23,079	8,910	7,000	13,405	23,698	92,878
Kent	--	--	--	--	--	--	--
Montgomery	64,415	84,375	23,816	27,564	20,515	15,954	236,639
Prince George's	21,062	9,773	11,071	22,074	20,726	--	84,706
Queen Anne	206	2,470	6,096	7,976	7,588	--	24,336
St. Mary's	3,811	2,418	1,463	1,432	79	4,436	13,639
Somerset	63	--	--	--	--	--	63
Talbot	--	--	--	--	--	--	--
Washington	1,896	2,011	--	--	--	--	3,907
Wicomico	4,064	10,935	1,993	10,446	6,436	1,156	35,030
Worcester	--	866	434	434	3,388	--	5,122
Total State	174,793	244,646	144,234	136,752	169,853	111,581	981,859

All projects at estimated July 87 cost.  
Includes systemic renovation requests for FY'88 only.

SUMMARY OF ANNUAL AND FIVE-YEAR PUBLIC  
SCHOOL CONSTRUCTION CAPITAL IMPROVEMENT REQUESTS  
(\$ in millions)

<u>Fiscal Year</u>	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>	<u>FY'88</u>	<u>FY'89</u>	<u>FY'90</u>	<u>FY'91</u>	<u>FY'92</u>	<u>FY'93</u>	<u>TOTAL</u>
FY'84	58.4	73.3	124.9	73.5	56.1	54.4					441
FY'85		84.8	82.2	99.4	105.2	75.1	53.3				500
FY'86			90.2	140.8	108.3	111.7	85.9	73.2			610
FY'87				80.7	197.8	172.3	144.2	104.1	86.3		785
FY'88					174.8(1)	244.6	144.2	136.8	169.9	111.6	982(1)

Notes:

(1) Includes approximately \$15 million of systemic renovation requests FY'88.

SUMMARY OF OUTSTANDING LEA  
CONSTRUCTION REQUESTS, FY 1988  
THROUGH FY 1993 (\$000)

COUNTY	Total	A	B	C
Allegany	\$ 24,872	\$ 5,597	\$14,416	\$ 4,859
Anne Arundel	86,705	51,848	20,765	14,092
Baltimore City	71,642	52,688	18,954	-
Baltimore	69,821	56,275	8,814	4,732
Calvert	26,969	18,748	8,221	-
Caroline	-	-	-	-
Carroll	31,850	15,450	13,400	3,000
Cecil	33,769	23,024	10,745	-
Charles	39,661	8,674	30,987	-
Dorchester	1,553	500	1,053	-
Frederick	38,433	5,961	32,472	-
Garrett	5,554	5,554	-	-
Harford	20,382	5,772	14,610	-
Howard	89,119	19,143	69,226	750
Kent	-	-	-	-
Montgomery	190,068	91,282	98,786	-
Prince George's	51,104	46,076	5,028	-
Queen Anne	24,130	11,047	13,083	-
St. Mary's	9,177	4,726	-	4,451
Somerset	-	-	-	-
Talbot	-	-	-	-
Washington	2,011	1,388	623	-
Wicomico	30,966	12,583	18,383	-
Worcester	5,122	-	1,734	3,388
Total State	\$852,908	\$436,336	\$381,300	\$35,272

EXPLANATION OF CODES

- A Expected to proceed. Appears to be eligible for funding. Possible questions will relate to project scope or capacity but not to eligibility. Project can be expected to proceed normally.
- B Questions, existing or potential. Significant questions exist or may arise as to project's local support, appropriate scope and capacity, advisability as currently proposed. Project could proceed normally once questions are resolved.
- C Should not proceed. Project is of questionable need, low priority, or doubtful eligibility.

NOTES

1. All amounts are in July, 1987 dollars as submitted in the LEA's FY 88 C.I.P.
2. Project amounts reflect requests for State-funded construction only, excluding equipment, relocatables, and systemic renovations. Projects funded as part of the FY 88 C.I.P. are excluded from this list.



PROJECTS WITH STATE PLANNING APPROVAL -  
TO BE FUNDED IN SOME FUTURE FISCAL YEAR

Revised 2/11/87

SECTION X  
(Continued)

PLANNING PROJECTS

<u>LEA</u>	<u>Project</u>	<u>Category</u>	<u>Projected Cost<sup>(1)</sup> (000)</u>
Allegany	Bruce K-12	2	\$ 2,951
Anne Arundel	(2) *Route 3 Elementary	1	4,960
Baltimore City	Hampstead Hill E.	2	4,878
	(2) *Armistead Gardens E.	3	2,069
Baltimore Co.	Milford Mill H.S./Vo-Tech	1/3	9,520
	Joppa View Elementary	1	4,291
	(2)**Hereford Senior High	3	6,649
Carroll	(2) *Mexico Area Elementary	1	5,285
Charles	(2)**Wayside Elementary	3	3,389
Cecil	North Central High	1/2	10,335
Frederick	(2) *North East Area E.	1	5,163
Garrett	(2) *Southern High School	3	5,310
Howard	(2)**Southeastern Area E.	1	4,618
Montgomery	(2) *Jones Lane E.	1	5,736
Prince George's	(2) *Bladensburg E.	2/3	3,648
	(2)**Cheverly-Tuxedo E.	2/3	3,626
			<u>\$ 80,428</u>

Notes:

- (1) Costs estimated as of July 1987 or date of bid receipt.
- (2) Subject to funding formula at time of construction funding (condition added by Board of Public Works on 2/11/87).
- \* Recommended for local planning approval in FY'88 CIP by the Interagency Committee, December 11, 1986.
- \*\* Planning projects established/revised by Board of Public Works on 2/11/87

\ SUMMARY OF STATE FUNDED PROJECTS (FY 83-88)

<u>County/Project</u>	<u>Construction Funding Year*</u>	<u>Priority</u>	<u>Construction Allocation</u>
<u>Allegany</u>			
Beall Junior/Senior, Ph. 2	85	3	\$ 2,151
<u>Anne Arundel</u>			
W. Annapolis E.	84	3	1,298
Area III Sp. Ed.	84	1	2,668
Arundel Senior	85	3	4,428
Edgewater Elementary	86	3	1,468
Southern Middle	87	3	4,954
Severn Elementary	87	2	1,812
George Fox Middle	88	3	4,960
<u>Baltimore City</u>			
School for the Arts #415	83	3	750
Robert Poole Junior #56	83	3	4,819
Canton Junior #230	83	3	4,124
Baer Sp. Ed. #301	84	1/2	2,000
Hamilton Junior #41	84	3	2,839
F. S. Key Elem./Middle #76	85	2	6,790
Roland Park Elem./Middle #233	85/86	3	9,024
Ben. Franklin Middle #239	87	3	4,058
G. Washington Elem. #22	87	2	3,603
Garrison Middle #42	88	3	8,673
<u>Baltimore County</u>			
Reisterstown Elementary	84	K. Conv.	51
Lansdowne Elementary	84	K. Conv.	51
Catonsville Middle	85	2	2,913
Golden Ring	86	3	3,487
Dundalk Elementary	87	3	3,310
Logan Elementary	86	K. Conv.	93
Woodmoor Elementary	86	K. Conv.	75
<u>Calvert</u>			
Calvert Co. Sp. Ed.	83	2/3	1,642
Northern Senior	86	1	1,070
Sunderland Elementary	87	1	3,763
Appeal Elementary	88	1/3	2,404
<u>Carroll</u>			
Sykesville Middle	84	3	3,600
New Hampstead Elementary	85	2	3,967
Mt. Airy Elementary	86	3	2,966
Carroll County Vo-Tech	87	1	1,062
South Carroll Senior	87	4	35
Manchester Elementary	88	1/3	5,142
<u>Cecil</u>			
Perryville Sp. Ed.	83	1	1,788
Kenmore Elementary	84	2	2,283
<u>Charles</u>			
Mt. Hope Elementary	83	3	1,861
Malcolm Elementary	84	3	1,597
Jenifer Elementary	87	1	4,930

<u>County/Project</u>	<u>Construction Funding Year*</u>	<u>Priority</u>	<u>Construction Allocation</u>
<u>Dorchester</u>			
Mace's Lane Middle	83	3	3,260
Dorchester Vo-Tech	84	1	246
<u>Frederick</u>			
Liberty Elementary	83	3	1,798
New Midway Elementary	84	3	439
Frederick Vo-Tech	86	1	2,201
Hillcrest Elementary	88	1	4,998
<u>Garrett</u>			
Northern High School	86	3	4,454
<u>Harford</u>			
Dublin Elementary	87	3	1,401
<u>Howard</u>			
Howard Vo-Tech	85	1	1,320
Guilford Elementary	86	1	500
Atholton High School	87	4	1,775
<u>Montgomery</u>			
Gaithersburg Elementary	84	3	1,871
Woodlin Elementary	84	1	745
Montgomery Blair Senior	85	3	3,126
Lake Seneca Elementary	86	1	3,243
Washington Grove Elementary	86	3	1,298
Woodfield Elementary	86	1/4	1,581
Flower Hill Elementary	87	1	3,301
Bradley Hills Elementary	87	3	1,556
South Germantown Elementary	87	1	3,870
Gaithersburg High School	87	1	2,245
Oakview Elementary	88	3	1,571
Gunners Lake Elementary	88	1	5,240
<u>Prince George's</u>			
Tall Oaks Sp. Ed.	83	1	613
Suitland Senior/Vo-Tech Ph. 2&3	83/85	1/3	11,723
Surrattsville Senior Ph. 2	84	1	2,778
Forestville Senior	86	1	562
Oxon Hill Senior	86	1	2,559
Frederick Douglass Senior	88	3	8,323
Bladensburg Junior	88	2/3	250
<u>St. Mary's</u>			
Chopticon Senior	83	1	1,410
Great Mills Senior	84	3	2,552
Green Holly Special Ed.	84	1	120
Lexington Park Elementary	85	1/3	720
Eighth District Elementary	88	2	3,614
<u>Washington</u>			
Sharpsburg Elementary	83	3	1,489
South Hagerstown Senior	85	3	588
Bester Elementary	88	2	1,872

<u>County/Project</u>	<u>Construction Funding Year*</u>	<u>Priority</u>	<u>Construction Allocation</u>
<u>Wicomico</u>			
East Salisbury Elementary	83	3	1,191
Salisbury First Grade	85	2	2,608
Pinehurst Elementary/Sp. Ed.	88	1/3	3,563
<u>Worcester</u>			
Cedar Chapel Sp. Ed.	85	1	1,259
Worcester Vo-Tech	86	3	1,682

\*Fiscal year program in which project funded.

RULES, REGULATIONS, AND PROCEDURES  
FOR THE ADMINISTRATION OF THE SCHOOL  
CONSTRUCTION PROGRAM  
APPENDIX A

# Special Documents

## INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION

Under §5-301(e) and (f) of the Education Article, Annotated Code of Maryland, the Board of Public Works may develop, amend, or repeal the rules, regulations, and procedures for the administration of the public school construction program. Although exempt from the rule and regulation promulgating requirements of the State Government Article, §§ 10-101 through 10-405, the Board of Public Works is required to develop the rules, regulations, and procedures in consultation with representatives of the county boards of education and the county governing bodies. These same parties are to be given notice of the intended action and an opportunity to submit their views.

The required procedure was followed and on September 17, 1986, the Board of Public Works held a hearing to consider approving proposed revisions to the Rules, Regulations, and Procedures for the Administration of the School Construction Program. The Board of Public Works accepted and approved the revisions. Although not required by law, they are being published in the Maryland Register so that interested citizens and any other groups can avail themselves of the rules, regulations, and procedures under which the Public School Construction Program operates.

### Rules, Regulations, and Procedures for the Administration of the School Construction Program

Accepted and Approved: June 10, 1981 — Board of Public Works  
Amended: September 21, 1982 and September 17, 1986

#### 1. INTERAGENCY COMMITTEE

There shall be an Interagency Committee on School Construction (hereafter referred to as the Committee), which shall consist of the Secretary of State Planning, the Secretary of General Services, and the State Superintendent of Schools, or their respective designees. The State Superintendent of Schools or the Superintendent's designee shall chair the Committee. The Committee shall be responsible for the appointment of an Executive Director with the approval of the Board of Public Works. All decisions of the Committee are to be by majority vote except as provided in Section 4 below. The Committee shall assemble, amend, and keep up to date an annual and a five-year program of elementary and secondary school capital improvements funded or to be funded by the State, including remodeling of school facilities as defined herein. The annual program shall contain the maximum state participation in the cost of each project.

#### 2. DEFINITION

Wherever in these regulations the term "local boards" is used, such term shall be construed to refer to the Boards of Education of the several counties and Board of School Commissioners of Baltimore City except that where the charter, local law, or ordinance of Baltimore City allocates any function to the Board of Estimates or the Mayor and City Council, the term "local board" when used in connection with such function shall be construed to refer to the appropriate authority. However, all prerogatives allowed to the Committee for prior review and approval as prescribed and required herein shall not be abrogated on account of the title of school property and the improvements thereon being in the name of the Mayor and City Council of Baltimore.

#### 3. EDUCATIONAL FACILITIES MASTER PLAN

- (a) As a condition of the receipt of state project approval and/or school construction funds, each local board of education shall prepare, submit and annually amend its school system's educational facilities master plan.
- (b) The master plan and amendments thereto shall be reviewed by the Committee as to format, content, and completeness as described in the Public School Construction Program Administrative Procedures Guide.
- (c) The Committee will notify the LEA in writing of its comments noting any objections or exceptions it has to the educational facilities master plan. This planning document together with its annual amendments submitted by the LEA and the aforementioned Committee comments becomes the plan of record.
- (d) The annual and subsequent five-year capital improvement program submitted by each local board of education shall be consistent with the current educational facilities master plan of record. The Committee may recommend to the Board of Public Works the disapproval of any school construction project that is not consistent with the current master plan of record.

#### 4. STATE CONSTRUCTION PROGRAM

Prior to September 15 of each year, the Committee shall inform each local board of the amount of estimated capital funds available for the upcoming fiscal year. Each local board shall submit to the Committee by December 7 of each year its updated and detailed capital improvement program for the following fiscal year, to be accompanied by a school capital improvement program for the ensuing five years, both of which shall have been approved by the appropriate local governing bodies. The Committee shall recommend approval or, in consultation with affected local boards, modification of the capital improvement programs, and forward a consolidated State program for the following fiscal year to the Board of Public Works to be acted on at the Board's January meeting. In the event the Committee is unable to reach unanimous agreement on any aspect to the consolidated program, the final recommendation to the Board of Public Works shall be as determined by the Governor. Amendments to the consolidated State program which a local board deems it necessary to submit during the course of the year shall also be subject to approval by the Committee and the Board of Public Works.

#### 5. MAXIMUM STATE PROJECT ALLOCATION

The Committee shall establish a maximum State construction allocation which is the maximum State participation for each project when it is being considered for inclusion in an annual capital improvement program for construction funding as follows:

- (a) The maximum State construction allocation shall be based on the product of the latest adjusted average statewide per square foot cost of construction for schools in Maryland and the approved area allowances for the project as limited by the PSCP capacity and space formula and these rules and regulations.
- (b) The average per square foot cost of school construction based on the best cost experience of schools constructed in the prior year(s) shall be published by the Committee at least annually. The per square foot construction cost shall include site work, and the per square foot building cost shall exclude site work.
- (c) The maximum State construction allocation shall also

include adjustments for inflation to time of bid, regional cost differences, and a percentage for contingency as determined by the Committee.

- (d) The maximum State allocation for a project shall be reviewed before the Committee and the Board of Public Works prior to approving the capital improvement program. Once the allocation is established as prescribed herein and included in an annual capital improvement program and approved by the Board of Public Works, it cannot be increased and shall not be subject to appeal, Section 10 notwithstanding.
- (e) The approved allocation for the purchase of movable equipment as allowed in Section 6h shall be in addition to the maximum State construction allocation.

#### 6. ELIGIBLE EXPENDITURE

State participation in the contract costs of the following types of capital improvement shall be eligible if approved in accordance with these regulations:

- (a) For a new school, first-time site development ten feet beyond the building perimeter and including but not limited to outdoor educational facilities, demolition, landscaping, paving, fencing, water, electric, telephone, sanitary, storm, grading, seeding, sodding, erosion control, and fuel services.
  - (a-1) The maximum State construction allocation as indicated in Section 5 shall be computed to include 12 percent of the building cost for site development.
  - (a-2) The LEA may request that the IAC approve an expenditure in excess of the 12 percent of the building cost for site development provided that the maximum State construction allocation is not exceeded.
  - (a-3) This does not preclude a local board of education from paying site development costs in excess of those allowed herein.
- (b) New schools that can be justified because of growth or population shifts.
- (c) An addition(s) to an existing school building such as: classrooms, media center, art and music facilities. This category excludes any alteration of the existing building except for that limited work required to physically integrate the proposed addition(s) into the existing facility.
- (d) A new building or part thereof to replace an existing obsolete school or part thereof in use for 40 years or more. Obsolescence shall be based on education program requirements and/or structural considerations as determined by the Committee.
  - (d-1) The board of education has the option to request the Committee to consider, in lieu of replacing a school building over 40 years old, the renovation of such building, providing life cycle and cost benefit studies demonstrate the economic feasibility of modernization over replacement, and providing the total renovation construction cost does not exceed the cost of an equivalent new building which does not include the costs of site development, demolition, and air conditioning.
- (e) The modernization or remodeling of an existing school building, in whole or part, with the following exceptions and limitations:
  - (e-1) Alteration, modification, or renovation to existing school buildings or portions thereof in use for 15 years or less from the date of occupancy shall not

be eligible for State participation in the costs of construction.

- (e-2) Except as allowed in (d-1), the Committee shall establish a maximum cost of construction for remodeling a school building or parts thereof. The maximum State construction allocation shall be based upon the product of the "building cost" per square foot, the number of square feet approved for the project, and the following percentages:
  - (e-2-a) For an approved building addition or replacement of a portion of a building over 40 years of age — 100 percent with this product increased by 12 percent for site redevelopment.
  - (e-2-b) For alterations within a building or portion thereof which has been occupied:
    - 41 years or more — 85 percent
    - from 26 to 40 years — 60 percent
    - from 16 to 25 years — 50 percent
    - for 15 years or less — 0 percent
- (e-3) The maximum State construction allocation for modernization and remodeling shall include the costs of demolition, site development, and an amount for change orders.
- (e-4) The LEA may request that the IAC approve an expenditure in excess of 12 percent of the building cost for site redevelopment provided that the maximum State construction allocation is not exceeded.
- (e-5) If there is a substantial change in the type of general use proposed for the school, then a maximum gross area allowance greater than that provided for by Sections 5a and 6e-2 may be allowed by the Committee.
- (f) Change orders to approved construction contracts not to exceed 1½ percent of the State participation in the contract.
- (g) Initial built-in equipment as defined in the Public School Construction Program Administrative Procedures Guide.
- (h) As limited herein initial movable equipment as defined in the Public School Construction Program Administrative Procedures Guide and applied to the "building cost" in the maximum State construction allocation as follows:
  - (h-1) For elementary, middle, and junior high schools, the movable equipment cost for State payment shall not exceed 5.5 percent of the cost of building construction.
  - (h-2) For high schools and special education schools, the movable equipment cost for State payment shall not exceed 6.5 percent of the cost of building construction.
  - (h-3) For vocational/technical schools/centers, the movable equipment costs for State payment shall not exceed 15 percent of the cost of building construction.
  - (h-4) In determining building construction cost, site development costs and regional building cost adjustments shall be excluded.
  - (h-5) For projects approved for local planning only in the Fiscal Year 1987 Public School Construction Capital Improvement Program and approved for local planning in any subsequent fiscal year, movable equipment as defined and described in this subsection shall not be eligible for State funding.

- (i) Installing by moving and relocating modular relocatable classroom buildings.
- (j) Relocating on-site utilities as required to eliminate interference with the building construction.
- (k) Expanding existing on-site sewer or water systems to accommodate additional student capacity.
- (l) When approved by a legislative appropriation, systemic renovations within a building or portion thereof. The project allocation shall be based upon the product of the approved eligible costs and the following percentages:
  - (1-1) For facilities or portions thereof which have been occupied:
    - 41 years or more — 85 percent
    - from 26 to 40 years — 60 percent
    - from 16 to 25 years — 50 percent
  - (1-2) Eligible costs shall be established for eligible work as defined in the Public School Construction Program Administrative Procedures Guide.
- (m) Restoration of a public school building or site damaged as a result of a natural disaster subject to the approval of the Committee and the Board of Public Works.

#### 7. INELIGIBLE EXPENDITURES

The following types of capital improvements and related expenditures will not be funded by the State and shall be assumed as a local responsibility:

- (a) Contracts for the construction of regional or central administrative offices, warehousing, resource, printing, vehicle storage, or maintenance facilities.
- (b) A/E or other consultant fees.
- (c) Related construction costs such as: permits, test borings, soil analysis, bid advertising, water and sewer connection charges, topographical surveys, models, renderings, or cost estimating.
- (d) Cost of acquisition or purchase of sites.
- (e) Cost of leasing or purchasing of facilities for school use.
- (f) Relocation costs for occupants of a site.
- (g) Salaries of local employees.
- (h) Administrative costs for developing master plans, programs, educational specifications, inspection of construction, or equipment specifications.
- (i) The costs of furnishing and installing movable equipment in excess of the percentages developed in Section 6h and for projects described in Section 6h-5.
- (j) Art work required by local ordinance.
- (k) Cost of owner's liability and builder's risk insurance.
- (l) Except as allowed in Section 6k, the costs of replacing the existing on-site water or sewer treatment systems, such as, but not limited to, septic systems, disposal fields, wells, storage tanks, or pumps.
- (m) Costs of an individual contract expressly for maintenance and/or repair.
- (n) Off-site development costs beyond the property line.
- (o) All construction costs for work, whether in new construction, alterations, or additions, site development or redevelopment, in excess of the State approved maximum allocation.
- (p) Systemic renovations for school buildings that are not properly maintained.

In any case where a local board desires to proceed with a capital improvement, project, or part thereof which is ineligible for State funding, the Committee shall determine the added cost to the approved project generated by the ineligible

aspects, and the local board may proceed with the project but without State funding for the added cost.

#### 8. COOPERATIVE ARRANGEMENTS

Cooperative arrangements for sharing facilities among two or more school systems, or among educational and non-educational governmental agencies, shall be encouraged. The Committee shall determine what part of the cost of constructing such facilities is fairly assignable to educational agencies, and such part shall be eligible for State payment.

Cooperative arrangements for the use of school facilities for community or recreational purposes shall be encouraged. In every case, only that share of capital improvement costs which, in the judgment of the Committee, is fairly assignable to educational purposes, as distinguished from recreational or community purposes, shall be eligible for State payment.

#### 9. REVIEW AND/OR APPROVAL OF SITES, BUILDINGS, CONSTRUCTION PLANS, AND CONTRACTS

- (a) No project shall proceed to planning with an architect/engineer, anticipating State funding for construction, until such project has been considered by the Committee and included in an approved annual capital improvement program as required in Section 4.
- (b) The Committee shall review and approve: 1) all proposals for the acquisition or disposition of school sites or buildings; 2) the architectural program and schematic plans for school capital improvement projects for which State payment of costs is sought; and 3) all awards of construction contracts by the local board funded under this program.
- (c) A capital improvement project shall proceed as a State funded project when the construction contract award has been approved in writing by the Committee or the Board of Public Works as prescribed herein. If the Committee does not approve the contracts and proposals as submitted, it shall state in writing the reasons for its disapproval.
- (d) Design development and construction documents will be reviewed by the IAC staff and its written comments communicated to the local educational agency. Such comments will be advisory only and basically for verification of funding sufficiency. The LEA has the sole responsibility for bidding a project within the State and local allocations.

#### 10. APPEALS

Whenever a local board or governing body wishes to appeal any decision of the Committee, such party, after giving notice to the Committee, may appear at the next meeting of the Board of Public Works, and, after hearing a presentation of the opposing views, the Board shall make a final determination.

#### 11. COMMITTEE GUIDELINES AND PROCEDURES

The Committee shall have the responsibility for prescribing administrative procedures, guidelines, and forms to be used by local boards desiring State payment of the costs of a school capital improvement project.



## 12. SELECTION OF ARCHITECTS AND ENGINEERS

The plans, specifications, and related documents for each construction project must have been developed under the supervision and responsibility of an architect or engineer who is licensed or registered in the State of Maryland. Selection of the architect or engineer shall be made by the local board. The Committee shall be notified of the architect selected, and a copy of the approved A/E Agreement shall be filed with the Committee. However, the local A/E Agreement shall include, as terms of the contract, provisions for cost control, life cycle costing, energy conservation, a fixed limit of construction costs, and Committee review and/or approval, as described herein, of the schematic, design development, and construction documents.

## 13. SUBMISSION OF SCHEMATIC DESIGNS AND DESIGN DEVELOPMENT DOCUMENTS

The schematic designs prepared by the architect shall be reviewed and approved by the Committee. The design development documents approved by the local board shall be submitted to the Committee for review and comment. The design development documents shall demonstrate cost effectiveness. Energy consumption efficiency, as substantiated by life cycle cost studies, must be approved by the Department of General Services as required by Article 78A, §25A-25F, Annotated Code of Maryland. Within thirty (30) days of submission, the local board shall be notified in writing of the comments and recommendations of the Inter-agency Committee staff.

## 14. CONSTRUCTION DOCUMENTS

The construction documents shall be submitted to the Committee for final review and comment, and for comparison with the project's approved maximum State construction allocation and authorization to bid. The documents shall include all necessary approvals by appropriate State and local fire, health, sediment control and storm water management agencies; such approvals to be final subject to subsequent inspection as to compliance. Alternates should be established to enable the award of a contract within the available State and/or local funds. Comments in writing by the Committee staff shall be based upon the construction documents submitted and shall not be construed to include any subsequent changes in the construction documents.

## 15. AWARDS OF CONTRACTS

Awards of contracts shall be made by, and in the name of, the local board to the lowest responsible bidder meeting the requirements of the bidding documents in accordance with the Public School Laws, after the award of contract has been approved by the Committee. If the lowest responsible bidder's proposal exceeds the maximum State construction allocation, the local jurisdiction can (a) supplement the State allocation (and assume responsibility for all change orders), (b) revise and rebid (with no subsequent adjustment in State funds), or (c) cancel the project. Each local board shall adopt procedures for prequalification of bidders on contracts, and an attempt to include minority business enterprises in contracts. The Committee shall assist in the development of such procedures. Contracts and Requisitions for Payment shall be in a standard form. Construction contracts shall include a performance and payment bond payable both to the local owner and to the State. The State shall not pay any fees for local building permits and shall not require any local board to obtain a building permit as a

condition of approval unless the local subdivision requires it. Local boards shall be required to furnish adequate inspection of all construction projects. During construction, the Committee may arrange for periodic inspection by State inspectors of the project.

## 16. METHOD OF PAYMENT

Each local board shall submit to the Committee, on or before the tenth calendar day of each month, a projection of its anticipated expenditures for the current month. Projection shall be submitted by project. Each local board shall forward to the Committee a copy of all construction payments along with change orders and related bills subject to State funding and a certification of work actually performed. Any necessary adjustments in State advanced cash shall be reflected in the current month's payments.

## 17. REVERSIONS

Any project approved for funding with an allocation in the State Public School Construction Capital Improvement Programs of record which has not been contracted for within two years from the effective date of approval shall be deemed to be abandoned. If justified by unusual circumstances, the Committee, with the approval of the Board of Public Works, may extend the allowable time for placing a project under contract. The amount of the unexpended allocation for such an abandoned project shall be transferred to the Statewide Contingency Account of the fiscal year in which the project was approved for funding, and the project shall be removed for the State Public School Construction funding accounts. To be considered for reinstatement, the project must be submitted as a new project in a succeeding fiscal year's annual capital program as required under Section 4.

[86-23-03]

PUBLIC HEARING  
SCHOOL CONSTRUCTION FINANCE TASK FORCE  
TESTIMONY: KEY POINT OUTLINE

October 5, 1987

Public Hearing  
School Construction Finance Task Force  
Testimony: Key Point Outline

**1. Baltimore County**

Thomas Lattanzi, Office of the County Executive  
Patti Mulford, Office of the County Executive  
Robert Dubel, School Superintendent

-Propose funding formula based on local need, age of facilities, wealth and tax effort. Local share would be redetermined annually.

-State share would be based on the debt affordability limit for the previous year multiplied by the percentage of the state property tax used to fund state bonds (in 1987 that figure would be an estimated \$71.3 million).

-Counties would be free to determine spending needs and priorities for systematic renovation, new construction, renovation or normal repairs. No state approval would be required or sought.

**2. Montgomery County**

Honorable Michael Subin  
Montgomery County Council Vice President

-State should authorize a minimum of \$60 million in FY 89. In out-years, funding preferably should remain at 23 percent of total bond indebtedness.

-Formula for local share should acknowledge local effort; oppose wealth-based formulas.

-Support repayment of counties for all forward-funded projects meeting State guideline, not just those approved by IAC.

-New classroom space and modernizations/renovations must have project priority over systematic renovations.

**3-4. Garrett County**

Honorable John G. Brosley  
Vice Chair, County Commissioners  
Superintendent Jerry Ryscavage

-Combination of additionally assumed local costs, the lack of consideration of a regional factor and the kind of increase now proposed is too severe for county. Retain current procedures.

-State funding should be \$75 million annually.

- State needs to provide greater lead-time for change in funding formula.
- Recommend greater state funding for low income jurisdictions.
- Recommend higher level funding of systematic renovations.
- Support school construction authority proposal.

5. Maryland Association of Counties (MACO)

Charles County Commissioner Murray Levy  
Raquel Sanudo (follow-up letter)  
Executive Director, MACO

-State can afford and should commit to annual funding greater than \$60 million. State should commit 23 percent of bonds to school construction (\$338,100,000 over 5 years).

-State formula would impose greater debt on counties when county debt in many counties already exceeds state debt. Such action could result in county tax increases. Task Force needs to consider both state and county ability to float bonds.

-Counties could sell approximately \$600 million in bonds to provide additional monies not met by State bonds but necessary to meet local school construction demands. \$261 million would be reimbursed counties through State grant program (see Sanudo's letter).

6. Calvert County

Superintendent Eugene M. Karol  
County Commissions (Written Testimony)

-State should honor 1971 commitment to underwrite costs of school construction.

-If this is not possible, formula should recognize new student growth.

-Propose formula modification which would provide a 25% premium for counties experiencing school population increases. This would reduce disparity between residential revenues and residential costs (See Commissioner's letter).

7. Howard County

Honorable Elizabeth Bobo, County Executive  
Honorable Vernon Gray, Chair, County Council  
Honorable Robert Kittleman, Chair House of Delegates Delegation  
Honorable Edward Kasmeyer, Senator, District 14  
Honorable Deborah Kending, Vice Chair, Board of Education  
Trent Mitchell, Recording Secretary, PTA Council

-\$60 million figure as minimum annual funding is highest priority. However, recommend funding as a percentage of state budget and adjusted annually. Funding goals assumed by Task Force will not fully underwrite critical local needs.

-State must acknowledge local debt affordability and protect local credit ratings.

-Recommend that any funding formula should recognize local effort and local growth. Counties which have forward-funded schools should be encouraged not penalized.

-State rating capacity should be adjusted to reflect actual statewide class average of 25 students per class.

-Important to include relocatable classrooms and future forward-funded projects as State reimbursable expenditures.

\* **Robert H. Kittleman**  
**House of Delegates, Howard-Montgomery**

-Current proposals would render Maryland Prevailing Wage Law null.

-Recommend that any jurisdiction with a local prevailing wage law should be required to have construction bids submitted two ways; with and without costs added by prevailing wage laws. For reimbursement purposes, lower rates would be applied. Counties so choosing could pick up additional costs caused by their local prevailing wage laws.

**8. Frederick County**

**Honorable Susan Rovin**  
**President, Board of Education**

-Recommend delaying effective date of local funding formula till FY 90.

-Maintain funding level at \$60 million annually. This State funding cap will mean a tremendous increase in county funding if identified construction needs are to be met.

-Current proposals would disproportionately affect Frederick County because its growth is recent or anticipated. Frederick County would suffer adversely in proportion to other counties who benefited from earlier full state funding.

-If Task Force proposal is enacted, recommend reducing construction requirements for building a school, delay county share for one year and institute incremental increases in succeeding years.

**9. Maryland Association of Boards of Education**  
**Corinne Les Callette, President**

-Program to date has been a tremendous benefit. IAC process has been remarkably objective. Inadequate funding has been and continues to be a problem to local boards.

-Local assumption of greater share makes sense; it would end ambiguity over responsibility and would expedite construction.

-Endorse basic expense formula.

- \$60 million in state expenditures is essential.
- Funding of systematic renovations should be over and above \$60 million.
- Endorse a revolving fund or School Construction Authority.

#### 10. Dorchester County

Superintendent William J. Cotton

- Task Force proposed formula ceiling at 75% is particularly unfair to the least wealthy subdivisions.
- Recommend alternative formula which uses 50% base and expanded 5% intervals defined by the product of 50% and a ratio of the state average wealth per pupil, divided by each local's wealth per pupil. Proposal would cost an additional \$11 million over 5 years.
- Endorse School Construction Authority.
- Recommend systematic renovation funding above and separate from the \$60 million annually.
- Eliminate prohibition on school facility maintenance from state current expense aid program(s).
- Penalize a subdivision by 10% or more on school construction formula for facility ratings less than satisfactory.

#### 11. Carroll County

Assistant Superintendent, William Hyde  
Commissions (follow-up letter)

- Existing funding is inadequate to meet needs in Carroll County.
- State must provide substantial funds to meet present and future needs.
- Local and state officers must jointly resolve class size issues.
- There should be a funding priority for counties with greatest student population growth.
- Recommend that Task Force reexamine local anticipated need and that state funding remain at least in direct proportion to Task Force preliminary recommendations.

#### 12. Baltimore City

Judson Porter, Chief Financial Officer - Baltimore City Schools  
Sandy Ritch (follow-up letter)  
Director, Planning Commission

- Recommend funding at at least \$60 million; preferably fund at \$331 over 5 years.

-Local wealth and affordability must be major factors in any formula requiring local share.

-Recommend support of basic expense formula modification proposal submitted by Task Force member Pinderhughes to double the percentage above the 50% minimum which the less wealthy counties receive.

-Recognizing that the Pinderhughes proposal would exceed target for State funds, city suggests; 1) increasing State funds, either bond or pay-as-you-go general funds, or 2) through altering the 50% floor for wealthier counties.

-Recommend delay in implementation of local matching requirements until 1990.

### **13. Meredith Fouche**

-Washington County was conservative in its funding proposals because it realized that funding was inadequate to meet total need. Fears that county will now be penalized for its conservative posture when far greater needs to exist.

-School construction funding should reflect real local needs, not just projects submitted by counties to IAC in a climate where not all projects were funded.

-Recommend that Task Force discuss at length issues of class size and local maintenance and its impact on future funding.

### **14. Prince George's County**

**Thomas Hendershot, Chair, Prince George's County Board of Education**

-Recommend funding at \$60 million annually.

-Acknowledges potentially positive impact with local funding addition resulting in greater total spending and more school construction needs met.

-Recommend update of space and capacity criteria; class size.

### **15. Anne Arundel County**

**Barry Carter, Anne Arundel County Deputy Superintendent of Schools**

-Endorse \$60 million minimum as minimal funding level for next 5 years.

-Recommend systematic renovation funding be in addition to \$60 million annually. That the \$60 million be dedicated to major construction projects.

-Recommend that forward-funded projects remain eligible for State reimbursement.

-Anne Arundel County areas reflect growing county population.

-Question whether counties can underwrite additional costs of program. Urge serious consideration by Task Force of potential consequences of sharing formula.

**16. Cecil County**

**Assistant Superintendent Terry Keinhle**

-Proposed increase in local funding would have severe impact on overall county services.

-Recommend that Task Force review alternatives which would consider needs and limitations of low wealth counties.

-Support creation of Public School Building Authority.

**17. Charles County**

**Superintendent, John Bloom**

-Credit program, IAC, and past funding with greatly meeting school construction needs.

-Code "A" approved programs do not meet total needs of State for school construction.

-\$60 million annually will not meet needs; recommend that State funding be increased.

-Formulas other than the basic expense formula should be considered seriously by the Task Force. Recommend that formula weigh local need and ability to fund.

-Recommend that the Task Force address the issue of class size in its final report.

**18. St. Mary's County**

**Superintendent, Larry Lorton**

-Recommend funding all Code "A" projects.

-Provisions to reimburse for forward-funded projects appear counter to efforts to equalize spending.

-Recommend funding systematic renovations and forward-funding projects as separate.

-Endorse equalization formula. 75% cap for poorer subdivisions is not appropriate. Endorse Pinderhughes proposal.

**19. Metropolitan Education Coalition**

**Tru Ginsburg, President, Metropolitan Education Coalition**

-Recommend that Task Force adopt formula that treats fairly and equitably all jurisdictions and sets as goal the provision of the highest quality educational environments for all Maryland Public School children.

-Recommend State fund no less than \$60 million a year for next five years.



**20. Worcester County**

**School Superintendent Francis Ruffo**

-Recommend continuing existing program, which has been helpful to Worcester County.

-Oppose use of basic expense formula. Would unfairly burden Worcester County.

**21. Allegany County**

**A. Gerald Arthur, Director of Public Works  
Board of County Commissioners**

-Commissioners concur with Task Force preliminary recommendations.

-Support method for counties to borrow funds at favorable State rate (School Construction Authority).

-Support funding set-asides for systematic renovations.

**22. North East Elementary School PTA (Cecil County)**

**Michael Gordon, President**

-Concern over local share formula's impact on Cecil County.

-oppose any formula placing burden on low income counties. Support proposals put forth by Baltimore City and Dorchester County.

**23. Washington Waldorf School**

**Donald Rufano, Development Director**

-Recommend that surplus schools be sold to non-profit organizations, usually independent schools.

-Monies from such sales would help offset cost of new construction.

**24. Caroline County**

**Superintendent of Schools William Echer  
Caroline County Administrator Edwin Richards**

-Recommend funding at a level greater than \$60 million annually.

-Any formula should be wealth sensitive which would benefit less wealthy school districts like Caroline.

-Propose formula based on per pupil assessed wealth compared with statewide average wealth per pupil. Counties at or above the average would receive 50 percent

funding. Those below the average would receive an amount determined by dividing the wealth per pupil for each subdivision by the State average wealth per pupil and then subtracting from 1.00. This figure would then be added to .50. The result would represent the counties percentage of construction costs a jurisdiction could receive.

- Endorse School Construction Authority.

- Recommend that less wealthy counties would have portion of their bond debt for school construction referred by State. See above formula and attached letter to determine local debt to be assumed by the State.

25. St. Mary's County Council of PTAs  
Jean Campbell, President

- Oppose 75% ceiling.

- St. Mary's has unique problem of military installation generating 4,000 students, some federal funds for operating and maintenance costs but no allowances for school construction.

- Rare in State funding must be widened to resolve disparity problems falling too hard on low wealth counties.

ISSUES RAISED AT PUBLIC HEARING  
SEPTEMBER 16, 1987  
(Chart Initiated and conceived by  
Tee O'Connor, Task Force Member)

COUNTY	SEPARATE SYSTEMIC	RATING CAPACITY	HIGH GROWTH	SHARING PROBLEM	FORWARD FUNDING	\$60 MILLION MINIMUM	LOCAL WEALTH AND AFFORDABILITY	EFFORT	SCHOOL FUNDING AUTHORITY
Allegany	X								
Anne Arundel	X								
Baltimore City			X	X	X	X			X
Baltimore County						X	X		
Calvert								X	
Caroline Carroll			Growth Factor						
Cecil		X	X			X Not Sufficient	X		X
Charles									
Dorchester		X	X			X		X	X
Frederick	X	X	X				X		
Garrett	X	X	X	X			X		X
Howard									
Montgomery		X	X		X	X Not Sufficient		X	X Sliding Rate
Prince George's					X	X (% Inflation)		X	
St. Mary's		X				X		X	
Washington (private)	X				(NO)	X Not Sufficient			
Worcester		X					X		
MACO		X							
MABE									
Metropolitan Education Coalition	extra/not separate					Insufficient can afford more	X	X	X (revolving fund)
Northeast Elem. School PTA						X			
Washington-Waldorf School							X		



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